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East Europe Report

ECONOMIC AND INDUSTRIAL AFFAIRS

No. 2251



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DECREES, ORDINANCE OUTLINE MEASURES TO STIMULATE ECONOMY

Sofia DURZHAVEN VESTNIK in Bulgarian 29 Jan 82 pp 83-87

[Council of Ministers Decree No 53 of 31 December 1981 on improving the economic mechanism in the Eighth Five-Year Plan]

[Text]

In order to implement the decisions of the 12th BCP Congress and theoretical stipulations formulated by Comrade Todor Zhivkov at the October national conference on basic problems of building a developed socialist society in our country, the systematic application of the economic approach in all areas and sectors, intensifying the material interest and incentives in combining social with private interests, ensuring the comprehensive intensification and accelerated application of scientific and technical achievements, upgrading the role of counterplanning and labor collectives in planned management, developing the initiative and creativity of the working people for the fuller and more effective utilization of material, manpower, financial and currency resources and ensuring further improvements in the living standard of the people on this basis,

The Council of Ministers Decrees:

Article 1. (1) Adopts:

1. A regulation on the economic mechanism;
 2. A directive on the specific rules of the economic mechanism in agriculture.
- (2) Defines the general functional competence of ministries (departments) as stipulated in the appendix.

Article 2.

- (3) Determines the amount of tax on the profits of economic organizations as follows:
1. Domestic trade, tourist and marketing-supply activities--40 percent;
 2. The Central Cooperative Union system--30 percent;
 3. All other activities--55 percent in 1982 and 50 percent in subsequent years.

(4) The tax rates stipulated in the preceding paragraph shall not apply to:

1. Profits from services to the population;
2. Profits of economic organizations using the directive as stipulated in article 1, paragraph 1, point 2.

....

Article 4. (1) Ratifies:

1. Payments to obshtina people's councils--3 percent of the balance sheet profit of economic organizations;
2. Norms for withholdings from the income of economic organizations and their branches for their monetary funds as stipulated in the appendix;
3. Scale for controlling average gross wage increases in accordance with the appendix;
4. Norms governing the formation of the maximally allowable wage fund:
 - a. For lowering production costs--30 percent of savings on direct material outlays per unit of output compared with the preceding year;
 - b. For increasing the general revenue from other factors--no more than 0.5 percent increase of the wage fund in economic organizations and branches, and no more than 0.8 percent in foreign trade, marketing-supply and tourist activities, for each percentage of increase of the general income compared with the preceding year. The norms of economic organizations shall be differentiated by the State Committee for Planning and the Ministry of Finance. In 1982 the differentiated norms shall be applied in amounts equal to the norms approved for the economic organizations for 1981 for increasing the consumption income per individual for each percentage of increased social labor productivity.

....

6. Ratifies a table on the amount of withholdings for the Technical Progress Incentive Fund, in accordance with the appendix.

(2) Together with the respective sectorial ministry, the State Committee for Planning and the Ministry of Finance may change the basic general income of economic organizations in ore mining, coal extraction, timber extraction and other sectors and activities in which natural and other objective factors may have an adverse effect on end economic results. Such changes shall be reported to the economic organizations together with the ratification of state planned assignments. They shall ensure the growth of average gross wages stipulated in the unified plan for the socioeconomic development of the country for these sectors.

(3) In addition to the monetary funds based on Regulation on the Economic Mechanism, the socialist organizations shall also set up an Inventions and Rationalizations Fund. The assets of the fund shall be collected and used in accordance with the procedures stipulated in legal acts.

....

Article 6 (1) In order to encourage the increased production of some particularly important agricultural products, the purchasing organizations shall pay bonuses from budget funds as follows, as of 1 January 1982:

1. Sugar beets--20 leva per ton of purchased goods above the average annual quantities purchased in the previous 5 years, and 40 leva per ton for quantities in excess of the state planned sales assignment;
2. Basma oriental tobacco--2,000 and 4,000 leva per ton, respectively;
3. Bashibali oriental tobacco--1,500 and 3,000 leva per ton, respectively;
4. Virginia and Burley tobacco--1,000 and 2,000 leva per ton, respectively.

(2) The maximal amount of products on which bonuses may be paid may not exceed 20 percent of the average annual quantity purchased during the preceding 5 years.

Article 7. (1) In accordance with the appendix and exceptionally for 1982 and 1983, the economically weak agroindustrial complexes will be paid a supplement not to exceed 10 percent of the value (including markups and bonuses) of grain, tobacco, flax, potatoes, apples, plums, grapes, hops, meat, milk and wool sold to the purchasing organizations.

....

Article 8. Purchasing organizations shall pay bonuses and supplements as per articles 6 and 7 to forest farms for agricultural commodities supplied by them.

Article 9. (1) The Bulgarian National Bank shall grant loans for capital investments at a 2.5 percent privileged interest rate in accordance with the stipulations governing crediting, activities and payment terms, as follows:

1. Development of land reclamation systems and pasture complexes--10 years;
2. Perennial crops--8 years;
3. Farm herds--6 years;
4. Development of warehousing facilities for grain crops and of capacities in the feed industry--10 years;
5. Development of coal extraction and energy production--8 years;
6. Development of ore mining in ferrous and nonferrous metallurgy--6 years.

(2) Loans as per items 1, 2 and 3 of the preceding paragraph shall be granted also to forest farms engaged in agricultural production providing that they have signed contracts for the sale of their goods.

....

Article 11. Tourist economic organizations shall deposit 15 percent of their balance sheet profits (excluding export bonuses) to the State Committee for Tourism for the financing of its maintenance costs, including general state expenditures.

....

Article 13. By 20 January 1982 the economic organizations and branches must redraft directives and internal regulations on the organization of wages and of internal cost effectiveness, including brigade cost effectiveness, in accordance with the regulation and directive as per article 1, paragraph 1.

Concluding Stipulations

No 1. The following legal acts of the Council of Ministers are hereby invalidated:

1. Regulation on the organization of economic activities (published in DV, No 100, 1975; amended and supplemented, Nos 4 and 63, 1977 and No 67, 1987);
2. Regulation on planning (published in DV, No 101, 1975; amended and supplemented, Nos 4 and 63 of 1977);
3. Regulation on financing economic activities, with the exception of articles 42-44 (published in DV, No 64, 1978, amended and supplemented, Nos 53 and 80, 1980 and No 3, 1981);
4. Regulation on the organization of wages with the exception of article 20, paragraph 1 (DV, No 62, 1978);
5. Regulation on prices (published in DV, No 101, 1975; amended and supplemented Nos 14 and 63, 1976);
6. Article 1, articles 11-21, articles 26-37 and No 1 of the additional, temporary and concluding stipulations of Decree No 5 of 1977 (published in DV, No 19, 1977; amended and supplemented, No 96 of 1977 and No 82, 1978);
7. Decree No 29 of 1978 and its regulation on basic rights and responsibilities of economic organizations (DV, No 51, 1978);
8. Directive on engineering-application activities of economic organizations (DV, No 86, 1978);
9. Directive on procurement, marketing and trade activities of economic organizations (DV, No 87, 1978);
10. Decree No 1 of 1979 and its regulation on the specific rights in agricultural production management (published in DV, No 7, 1979; amended and supplemented, No 35, 1979; No 79, 1980; and No 5, 1981);
11. Decree No 36 of 1979 and its directive on the specific regulations on managing economic organizations and production branches in the industrial sector (DV, No 71, 1979);

12. Decree No 25 of 1979 and its directive on specific regulations on managing the activities of foreign trade organizations (published in DV, No 45, 1979; amended and supplemented, No 73, 1980);

13. Decree No 52 of 1979 (with the exception of article 10, paragraph 1) and its directive on specific regulations on managing economic organizations and branches in transportation, with the exception of article 5, paragraph 1, paragraph 2.1 and .3, paragraphs 4 and 5 and articles 6-11 (published in DV, Nos 100 and 101 of 1979; amended and supplemented, Nos 65 and 94, 1980);

14. Directive on the specific regulations on managing economic organizations and production branches in the construction sector (DV, No 100, 1979);

15. Directive on the specific regulations on managing economic organizations and branches in the international and domestic tourism sector (DV, No 102, 1979);

16. Decree No 55 of 1979 (with the exception of article 8, article 11, paragraphs 5, 6 and 7, and article 13) and its directive on the specific regulations on managing economic organizations and branches in the internal trade sector (DV, No 6, 1980);

17. Decree No 57 of 1979 and its directive on the specific regulations on managing economic organizations and branches in the material and technical supply sector (DV, No 9, 1980);

18. Resolution No 177 of 1980 and its basic regulations on foreign trade companies and associations;

19. Resolution No 180 of the Council of Ministers buro of 1981.

No 2. Legal acts on economic management which are not specifically annulled will remain in effect to the extent to which their stipulations are not preempted by the present decree and its legal acts.

No 3. The present decree and its legal acts shall be effective as of 1 January 1982 with the exception of specifically stipulated exemptions.

The Council of Ministers expresses its confidence that the economic organizations and branches, executive committees of people's councils, labor collectives, trade union, Komsomol and other public organs and organizations shall, on the basis of the comprehensive, consistent and creative application of the economic mechanism in the course of the formulation and implementation of counterplans, find and utilize all possible reserves for the conservation of raw materials, materials, fuel and energy, the fuller utilization of production capacities, the reduction of working time losses, the production of additional consumer goods and services, the increase in profits and foreign exchange earnings, the lowering of material intensiveness and enhancement of public labor productivity, the extensive use of technical progress and leading experience, and the implementation of the resolutions of the 12th party congress.

Grisha Filipov, Council of Ministers Chairman

Ivan Shpatov, General Secretary of the Council of Ministers

Appendix to Article 4, Paragraph 1, Point 2

Norms on Withholding from the Economic Organizations and Branches for Their Monetary Funds

1. For the Expansion and Technical Improvements Fund: minimum withholding of 4 percent of the general income based on the balance sheet profit.
2. For the Foreign Exchange Fund:
 - a. 1 percent of current foreign exchange earnings, 10 percent of which shall go to the Foreign Exchange Fund of the okrug people's councils, of which 50 percent shall go to the obshtina people's councils;
 - b. 50 percent of the foreign currency income in excess of the state planning assignment with the exception of income from deals made by the state.
3. For the Economic Risk Fund: 2 percent of the balance sheet profit.
4. For the Price Control Fund: based on the goods turnover norm: 1 percent for noncomestible goods, 0.5 percent for comestible goods, medical drugs and other medicines, and 0.2 percent for public catering.
5. For the Improvement of Cultural Services Fund: 2 percent of the income from passenger transportation.
6. For the Passenger Rate Differentials Fund: 0.4 percent of the income from passenger transportation.
7. For the Reserve Fund of the people's councils: 0.5 percent of the overall amount of normative outlays for individual activities under their direct control.
8. For the Transportation Regulation Fund of the Ministry of Transportation: 0.5 percent of the income from transportation activities; 30 percent of the additional savings as a result of the efficient coordination of transportation by the Ministry of Transportation shall be added to the fund.

Appendix to Article 4, Paragraph 1, Point 3

Scale for Controlling the Growth in Average Gross Wage

Percentage of Growth of Average Gross Wage Compared With the Previous Year	Normative Deposit	
	Lower Limit	Upper Limit
from 100 to 102.5	--	--
102.5 105	--	50
105 110	1.19	60
110 115	3.86	70
115 120	6.74	75
120 125	9.58	80
more than 125	12.40	85

Appendix to Article 4, Paragraph 1, Point 6

Table of Amount of Withholdings for the Stimulation of Technical Progress Fund

Amount of Actual Savings in Leva	Maximum Amount of Withholdings Based on Actual Economic Savings in Percentage
No more than 10000	12
from 10001 to 25000	6 + 600 leva
from 25001 to 50000	5 + 850 leva
from 50001 to 100000	4.5 + 1100 leva
from 100001 to 200000	3 + 2600 leva
from 200001 to 400000	2.5 + 3600 leva
from 400001 to 800000	2.25 + 4600 leva
from 800001 to 1000000	2 + 6600 leva
more than 1000000	1.75 + 9100 leva

Remark. Economic organizations and enterprises may withhold for the fund no more than 80,000 leva for any specific scientific and technical achievement (measure). Higher withholdings may be made only by permission of chairman of the State Committee for Science and Technical Progress and the minister of finance.

Appendix to Article 7, Paragraph 1

List of Economically Weak Agroindustrial Complexes in Mountainous, Semimountainous and Border Areas

1. Malko Turnovo APK [Agroindustrial Complex].
2. Elena APK.
3. Zlataritsa APK.
4. Belogradchik APK.
5. Chukrena Village, Vidin Okrug APK.
6. Roman APK.
7. Gabrovo APK.
8. Dryanovo APK.
9. Tryavna APK.
10. Stokite Village, Gabrovo Okrug APK.
11. Nevestino Village, Kyustendil APK.
12. Gyueshevo Village, Kyustendil Okrug APK.
13. Treklyano Village, Kyustendil Okrug APK.
14. Gavril Genovo Village, Mikhaylovgrad Okrug APK.
15. Beli Mel Village, Mikhaylovgrad Okrug APK.
16. Berkovitsa APK.
17. Vurshets APK.
18. Velingrad APK.
19. Panaguyrishte APK.
20. Belovo APK.
21. Kovachevtsi Village, Pernik Okrug APK.
22. Zemen APK.
23. Trun APK.
24. Kotel APK.
25. Devin APK.
26. Rudozem APK.
27. Zlatograd APK.
28. Smolyan APK.
29. Dospat APK.
30. Borino Village, Smolyan Okrug APK.
31. Davidkovo Village, Smolyan Okrug APK.
32. Smilyan Village, Smolyan Okrug APK.
33. Slaveyno Village, Smolyan Okrug APK.
34. Samokov APK.
35. Pavel Banya APK.
36. Gurkovo APK.
37. Antonovo APK.
38. Bolyarovo Village, Yambol Okrug APK.
39. Topolovgrad APK.
40. Cherven Bryag APK.

Decree No 54 of 31 December 1981 on the Application of a Shorter Workday in Some Production Facilities, on Amending and Supplementing Normative Acts on Wage Tariffs and Additional Wages; on Amending and Supplementing the Regulation on the Categorizing of Labor in Retirement, of Decree No 60 of the Council of Ministers of 1980 and Decree No 138 of the Council of Ministers of 1974.

Council of Ministers Decree:

Single Paragraph. (1) In accordance with article 41 of the Labor Code, as of 1 January 1982 a 7-hour workday and 35-hour work week will apply to the following:

1. Personnel in agglomeration production at the Kremikovtzi Economic Metallurgical Combine for a period of 3 years;

2. Personnel at the Staple Plant and the plant for artificial silk of the Svilosa Economic Chemical Combine in Svishtov for a period of 5 years;

3. Personnel employed in the chemical-pharmaceutical and volatile substances industry and the technological, analytical and medicinal technology sections of the Scientific Research Chemical-Pharmaceutical Institute of the Farmakhim DSO [State Economic Trust] in Sofia, for a period of 5 years;

4. Personnel using optical magnification instruments at the Geological Enterprise for Laboratory Research in Sofia and the Geological-Repair-Machine Enterprise in Asenovgrad, for a period of 5 years.

(2) In coordination with the Ministry of Public Health and the Central Council of Bulgarian Trade Unions, the Ministry of Metallurgy and Mineral Resources and the Ministry of Chemical Industry shall approve a list of professions and jobs to which the reduced workday shall apply.

(3) The Ministry of Public Health shall formulate a suitable schedule of work and rest for personnel using optical magnification instruments.

(4) The reduced workday as per paragraph 1 shall be introduced within the framework of the formulated wage fund in accordance with the state planning assignments for 1982 for the respective economic organizations.

Concluding Stipulations

....

No 2. The words "and the Metalsnab DSO" shall be added following the words "Metalurg "Metalurgremont SK [Economic Combine]" in article 35, point 3, letter "a" of the Ordinance on Wage Supplements for Adverse and Other Specific Working Conditions (published in DV, No 19, 1977; amended and supplemented, Nos 32 and 96, 1977; No 82, 1978; Nos 32, 38, 52, 63 and 94, 1979; Nos 38, 56, 69, 72, 77, 88, 95 and 99, 1980; No 5, 1981; amended, No 20, 1981; Nos 21, 27, 68, 1981).

No 3. The following amendments and supplements will be made to the Regulation on Categorizing Labor for Pensioning Purposes (published in DV, No 102, 1967; amendments and supplements: No 97, 1969; No 67, 1972; Nos 7, 46 and 64, 1975; No 4, 1977; Nos 82 and 83, 1978; Nos 65 and 93, 1979; Nos 31 and 56, 1980; and No 68, 1981):

1. In point 5a the words "converter and electric steel production, tong-crane machine operators of mill 1150/700/500, martin steel production at the Lenin Economic Metallurgical Combine" shall be added to the words "workers in the mixing department in steel production."

2.

3.

2. In point 69, the words "Ministry of Labor and Social Welfare" will be replaced by the words "State Committee for Planning," and the following new fourth paragraph will be added:

"Amendments and supplements in this regulation shall be made by the Council of Ministers based on a report submitted by a commission consisting of the deputy minister of public health as chairman and the secretary of the central council of Bulgarian trade unions and the deputy minister of finance as members. The suggestions shall indicate the period of time needed for the elimination of factors harmful to health."

No 4. (1) Paragraphs 1 and 2 shall become effective as of 1 January 1982 within the framework of the wage fund based on the state planning assignments of the respective economic organizations.

(2) Ministries, other departments and economic organizations shall take the necessary steps stipulated in the decree to improve labor conditions in said production facilities and activities in accordance with the requirements and norms of safe and hygienic work and shall terminate the respective stipulated compensations.

No 5. The following supplements shall be made to article 6, paragraph 1, of Decree No 118 of the Council of Ministers of 1974 (published in DV, No 7, 1975; amended and supplemented, Nos 36 and 65, 1975; No 26, 1976; Nos 65 and 92, 1977; Nos 7 and 67, 1978; No 17, 1979; and Nos 29 and 56, 1980):

1. In point 1, the words "State Tourism Inspectorate" will follow the words "trade and services."

2. The words "State Tourism Inspectorate" will follow the words "agroindustrial union."

3. In point 11, the words "as well as health institutions in the country" will follow the word "institutes."

Grisha Filipov, Chairman of the Council of Ministers

Ivan Shpatov, General Secretary of the Council of Ministers

Order No 1 of the Council of Ministers Buro of 19 January 1982 on Improving the Organizational-Production and Management Structure of Construction Work in the Capital

Council of Ministers Buro Order:

1. The House Building Combine in Sofia shall become part of the Sofstroy State Economic Trust without losing its status of economic organization.

The Sofstroy State Economic Trust will engage in the following activities: comprehensive development of residential areas in the capital, such as housing, children's institutions, schools, commercial establishments, service combines, polyclinics, hostels, power distribution centers, automated telephone exchanges and other projects related to the comprehensive servicing of residential districts.

2. The Public and Industrial Construction Economic Combine shall be set up under the Sofia People's Council as of 1 January 1982 as a juridical person located in Sofia and with the following activities: development of public buildings of national and regional significance such as hospitals, administrative buildings, scientific research and design institutes, higher educational institutions, hotels, general stores, cultural houses, motion picture houses, theaters and sports complexes; construction, reconstruction and modernization of industrial projects within the capital's city limits.

The Public and Industrial Construction Economic Combine shall be based on the facilities of the Industrial Construction Administration, Construction Administration No 4 and Construction Administration No 6 of the Sofstroy DSO.

....

The Construction Materials Economic Combine shall be organized under the Sofia People's Council as of 1 October 1982 as a separate juridical person centered in Sofia with the following objects of activity: production of construction materials, semifinished goods, items and structures, nonstandard equipment and assembly parts.

The Construction Materials Economic Combine shall be based on the facilities of the corresponding subunits and activities of the Sofstroy DSO, Inzhstroy DSO and other enterprises of the Sofia People's Council.

The structure of the combine shall be established by the executive committee of the Sofia People's Council.

4. The Public Works Economic Directorate of the Sofia People's Council shall terminate its activities as of 31 December 1981. Starting with 1 January 1982, the executive committee of the Sofia People's Council shall set up economic enterprises for public works and communal activities with the facilities of the subunits of the terminated economic directorate and the unit in charge of the maintenance of street and artistic lighting of the Electric Power Supply Economic Combine in Sofia.

....

7. As of 1 January 1982 the activities of the Sofproekt Comprehensive Study and Design Institute shall include scientific research and standardization activities in urban construction, architecture and construction in the capital.

....

9. The reappointment, release or redirection of the supernumerary personnel shall be strictly based on the stipulations of Decree No 22 of the Council of Ministers of 1981 and other legal acts and the measures stipulated in protocol No 25 of the Council of Ministers buro of 1981.

10. The 31 December 1981 assets and liabilities of the economic and other organizations reorganized on the basis of the present decree as well as their other rights and obligations shall be assumed by the economic and other organizations to which the respective units and activities shall be transferred.

Grisha Filipov, Chairman of the Council of Ministers

Ivan Shpatov, General Secretary of the Council of Ministers

ECONOMIC DEVELOPMENTS IN 1981 SUMMARIZED

Prague HOSPODARSKE NOVINY in Czech 29 Jan 82 p 2

[Article by Dr Eng Vaclav Cap, Candidate for Doctor of Science, Federal Statistical Office]

[Text] Preliminary data concerning economic development for last year currently indicate that this growth continued under ever more difficult external conditions. Imported energy sources, raw material and other inputs became more expensive and conditions for the sale of finished products on world markets became more competitive. To this was added worsened conditions for the extraction of domestic fuels and raw materials, also compounded by unfavorable weather which noticeably reduced agricultural plant production. The main positive aspects of last year include a continuation in economic development, the adherence to its proportional development path, both in terms of the balanced nature of the replacement process not only within the country, but also in relation to foreign economic affairs. At the same time, the standard of living not only held its own, but increased slightly. A higher rate of growth of exports in relation to imports was achieved and the growth rate of indebtedness reduced.

Nevertheless, we cannot be content with the results of 1981; we were far from fulfilling all that we were capable of accomplishing and what we had undertaken.

Administrative shortcomings are one of the reasons for this. One of the main shortcomings is the slow rate of application of science and technology. Given the exhaustion of, and in some cases the impossibility of using, extensive factors of development, the growth rate of the national income has necessarily slowed in recent years. In 1981, given the same volume of energy, raw materials and other inputs as in the previous year, the level of national income increased to Kcs 454 billion. Production innovations, technical sophistication and product quality do not yet correspond to the needs of the economy, and the valuation of energy, raw materials and other inputs is lower than that achieved by the world's best products; likewise, there is significant underutilized potential in changes in the production structure and product mix.

The relatively low growth of the national income and the need to improve the balance of payments position in relation to the mature capitalist countries by increasing exports relative to imports (in view of the continuing unsatisfactory effectiveness of the foreign exchange of goods) have influenced the use

structure of national income. Along with a 1981 increase in personal consumption of 1 percent in comparison with 1980, and an increase of 3 percent in material social consumption, there was a reduction in the volume of accumulation. This made possible, above all, a desired reduction in the high percentage of uncompleted investment projects.

The level of industrial production was 2 percent higher in 1981 than in 1980; to be sure, it did not reach planned levels, but the volume of deliveries was maintained for all principal use categories. In comparable wholesale prices, the volume of deliveries for domestic commerce increased 0.4 percent in 1981, for exports to socialist countries by 2.6 percent, for exports to nonsocialist countries by 5.2 percent, deliveries of machinery and equipment for capital investment purposes by 5.5 percent, and deliveries for production consumption by 2.4 percent. At first glance however, a positive approach to the assurance of economic needs was undermined by a number of shortcomings. It is necessary to improve, primarily, export capability, the product mix for domestic commerce, promptness of deliveries for investment projects and the balanced nature and smoothness of production. A lack of rhythm in the production process results not only in inefficiency at the enterprise itself, but also in losses and tautness, above all for its dependent consumers-producers and in transportation, and leads to unnecessarily high inventories.

The structure of industrial production has changed in favor of machine building and light industry. The volume of machinery production in 1981 was 3.9 percent higher than in 1980, and 2.5 percent higher in light industry. Production was 1.8 percent higher in the processed-wood industry, which did not achieve its planned increase, 1.5 percent higher in the construction materials industry, 0.1 percent higher in the chemical industry (due to a lesser amount of refined crude oil), and 1.5 percent in the foodstuff industry.

The assurance of fuel and energy supplies has had a crucial importance for the economy. In 1981, matters proceeded satisfactorily on the production end, but not as well at the consumption end. The 122.8 million tons of coal and lignite which were mined, and the 73.5 billion kilowatt hours of electricity produced, in conjunction with imports of crude oil and natural gas (which were higher in comparison with 1980) were sufficient to cover needs. On the other hand, a comparison of the increases in utilized primary energy resources indicates that we were not able to reduce energy consumption per unit of national income formation.

Construction and agriculture exerted the primary influences on the failure to fulfill planned increases in construction industry output of 2.7 percent, while in reality this output declined 2 percent in comparison with 1980. Economic policy has already been exerting pressure for a number of years to reduce the level of incomplete construction projects, to speed up the completion of construction and to adapt the structure of construction output to the most pressing capital investment requirements; construction enterprises, however, have not proved themselves capable of reacting to these new conditions.

A poor harvest in the agricultural sector resulted in a decline in agricultural production of 3.4 percent, and of 7.1 percent in plant production, in comparison with 1980. The foreign-currency position does not permit, at current world

prices, the purchase of the amounts of grain which are lacking in the fodder balance. In 1982, therefore, agricultural factories will have to make do, basically, with their own resources. This means, above all, that they will have to rationalize the feeding process. In 1981, agricultural factories fulfilled procurement targets for slaughter livestock and eggs, while milk procurement remained slightly below planned levels. Meat procurement trends were becoming evident at the end of the year in a reduction in swine herds and the stabilization of beef cattle herds. In comparison with 1980, 8,000 more tons of slaughter livestock live weight was purchased, an additional 6 million liters of milk, and an additional 22 million eggs.

In 1981, the Set of Measures for Improving the Planned Management System of the National Economy took effect, which was, above all, to support efficiency and quality policies. Certain of these measures have a longer term character, and their influence is thus difficult to determine after only 1 year. It is possible to conclude on the basis of the results in 1981 that these measures are already having a positive effect in the conservation of material costs. Over the first 11 months, materials costs and costs of services of a nonmaterial character (excluding the influence of foreign trade) amounted to Kcs 63.58 per Kcs 100 of output, while the annual plan had projected a figure of Kcs 64.01. Analysis will show to what extent this reduction in costs was realized from easily accessible underutilized capacity and to what extent it was a result of thorough economic measures.

The basic tasks of capital investment were not fulfilled last year. There were delays in facility startups, i.e., of the 107 facilities designated as binding tasks, only 62 actually began operations. Moreover, as a result of this, far more resources than planned were tied up in incomplete capital investment projects. In accordance with the intentions of investment policy, the overall volume of capital investment was reduced 1.9 percent in comparison with 1980. The overall volume of investment projects and deliveries reached approximately Kcs 145 billion.

In foreign trade, the rate of increase of exports increased relative to that of imports. Exports in current prices at commercial parity increased 8.7 percent in 1981 over 1980 levels, imports by 4.5 percent. This trend was maintained in relation to both socialist and nonsocialist countries. In trade with the nonsocialist countries, however, imports were regulated, especially those of a noninvestment character. The increase in export and import prices, however, meant a further worsening in exchange relationships. The integration of the Czechoslovak economy into the international division of labor within the framework of socialist economic integration continued.

A 2.8 percent increase in the monetary incomes of the population characterizes the maintenance of a high standard of living in 1981. Given an increase in the cost of living of 0.8 percent, this means that real incomes of the population increased by 2 percent.

Basic Indicators of the National Economy's Development in
Increases Over Comparable 1980 Period (in percent)

	<u>Dec</u>	<u>Jan- Dec</u>	<u>State Plan¹</u>
Deliveries of the Centrally Administered Industry for:			
--investments at wholesale prices	-	5.5	-2.3
--domestic market			
in wholesale prices	-	0.4	-0.9
in retail prices	-	-0.1	-0.6
--export to socialist countries	-		
in wholesale prices	-	2.6	-1.5
in FOB prices	-	2.2	4.9
--export to nonsocialist countries			
in wholesale prices		5.2	-0.1
in FOB prices		1.1	4.6
--other sales for industrial production and operations at wholesale prices	-	2.4	-
Volume of industrial production	2.7	2.0	2.2
Average number of employees	0.4	0.4	0.5
Labor productivity based on industrial production	2.3	1.6	1.7
+ Construction			
Construction work performed with internal labor resources	-1.0	-2.0	2.7
Average number of employees	-0.2	-0.7	0.5
Labor productivity based on construction work	-8.8	-1.3	2.1
Housing units delivered by contracting enterprises	-44.7	-32.8	-19.1
+ Procurement			
Slaughter animals (including poultry)	-5.1	0.8	-1.4
Milk	0.0	0.1	0.7
Eggs	0.3	0.8	-0.9
+ Retail Turnover			
of the main trade systems	3.6	2.4	2.4 ²
+ Foreign Trade ³			
Exports to socialist countries	28.2	11.8	7.1
Exports to nonsocialist countries	19.9	4.6	8.7
Imports from socialist countries	8.2	10.3	11.6
Imports from nonsocialist countries	-6.3	-4.4	6.6
Personal Earnings ^{4,5}	3.8	2.8	3.6
of which: income from wages	3.1	2.7	3.1
Actual cash expenditures ⁵	3.6	2.5	3.3

1. Increases compared to actual 1980 results.

2. All trade systems.

3. Data on actual results refer to actual transactions and the state plan (in contrast to overall actual results) does not include unplanned actions within the framework of cooperation, unplanned reexports trade, exchanges and conditional trade transactions, etc.
4. Including estimated interest on loans.
5. Data based on treasury plan of the SBCS (CSSR State Bank).

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REPORT ON 1981 ECONOMIC PLAN FULFILLMENT PUBLISHED

West German Analysis

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 18 Jan 82 p 4

[Article by "Gz," datelined Berlin, 17 January 1982: "The Economic Balance of the GDR for 1981 Is More Favorable Than in Other East Bloc States--Five Percent Growth; Results in Foreign Trade Less Satisfying; Doubt About the Reliability of Some Figures." A text of the plan fulfillment report for 1981 follows this analysis]

[Text] By and large, the GDR is satisfied with the economic results achieved in 1981. According to the report of the Central State Office for Statistics, which is presented every year in mid-January, in 1981 the "national income produced" increased by 5 percent; the corresponding figures for 1979 and 1980 were 4 and 4.2 percent, respectively. The report states that the increase of M 9 billion represents "the hitherto highest absolute annual growth rate." No matter how these figures were ascertained and regardless of what values underlie the GDR statisticians' computations, the GDR's economic balance for 1981 is decidedly more favorable than those of the other states of the Eastern Bloc. It appears, however, that the GDR was less successful in its efforts to improve its foreign trade balance. Whereas the plan had stipulated a 16-percent increase in "foreign trade turnover," no more than 10 percent was actually attained. The report--which in this regard again is very scant--repeats SED General Secretary Honecker's recent statement to the effect that in 1981 the GDR had an active trade balance, i.e. that exports had exceeded imports. The report points out, however, that due to their difficulty in increasing exports to the world markets, "some combines and enterprises did not fully attain the high export targets set." The FRG is one of the Western countries mentioned in connection with a "pronounced development" of trade relations. According to the report, the people of the GDR had demonstrated their ties with the People's Republic of Poland by supplying urgently needed goods valued at M 200 million. The report does not comment on the apparent disruptions in the economic relations among a number of Eastern Bloc states. It states that additional measures have been taken in order further to consolidate the socioeconomic integration within CEMA and that in regard to promising fields related to scientific-technical progress the close ties with the USSR are of inestimable value.

With great satisfaction, it is noted that in the field of housing construction record results have been achieved: 125,731 new apartments, i.e. an increase of 5,525 over the preceding year; in addition, there has been an increase in owner-occupied homes and a greater number of old apartments have been restored. According

to the plan, the "net monetary income" of the population was to increase by 4 percent, but the actual increase realized was a mere 3.3 percent. The report points out that on account of last year's sociopolitical measures several groups of working people--e.g. apprentices and students--received increased financial assistance and that beginning on 1 December 1981 the child support for the third and every additional child was raised to M 100 per month. Even though there are no price statistics, the GDR statisticians claim real wages increased by 4 percent. This calculation--which can hardly be verified--includes the so-called "second paycheck," i.e. the M 860 per month (on average; 1980: M 760) a family of four receives in the form of services and assistance from social funds. These funds, which insure--among other things--the continuance of the low rents, transportation rates and prices of the so-called "basic necessities," had to be expanded by 10 percent and now total M 58 billion. The report emphasizes that the supply of industrial goods has become more differentiated and that the commodity assortment for children and young people has been considerably expanded. The medium-price goods of standard quality (there are three price categories in the GDR) constituted the largest share of the commodity supply.

In the last few years, the SED leadership has put forth considerable efforts to increase the output of the industrial combines so as to cushion the shock--felt also in the GDR--of the energy and raw material price hikes. It appears that these efforts have not been entirely successful. According to the report, only 10 of 157 combines attained significant production increases and cost reductions, while 38 combines registered a cost reduction of 3 percent. In conclusion, the report therefore insists on the need for improving the input-output ratio in all sectors.

Apparently, the GDR planners have succeeded in tightening up their control over the investment activities, which in previous years had been characterized by a lack of restraint. Whereas the plan had stipulated a 2.5-percent increase in industrial investments, the actual gain totaled a mere 2 percent. Likewise, the number of investment projects launched was further reduced.

Considerable doubt has been expressed in regard to the reliability of the GDR statistics in connection with the employment of industrial robots. Last year's report stated the industrial sector had used 320 robots, but the 1981 report presents a total of 13,000 robots. This totally unrealistic increase cannot be explained, unless one assumes that robots--also called machines equipped with "operating technology"--are defined differently now. Conceivably, all semi-automatic machines are now considered "industrial robots."

However, the generally optimistic report permits the conclusion that the GDR leadership is dissatisfied with the results produced by the large-scale crop-producing enterprises. The report states that in crop production the "overall" output target has been exceeded--a summation of "apples and pears" hardly acceptable to statisticians--whereas grain production has fallen short of the plan target. The report presses for tapping of the available reserves, primarily through elimination of the existing production and performance differences.

Whereas previous reports made reference to the GDR's "enthusiasm for babies" and presented "rates of increase," the present report merely states that in 1981 237,476 children were born; it does not mention the fact that this total falls short by 7,614 of that of the preceding year. At present, all of the GDR children

can be accommodated in the kindergartens; as regards daycare centers, however, only 625 of 1,000 infants can be accommodated (in the preceding year: 610). The tourism statistics--always present in previous reports--are not included in this year's report.

Trade, Energy Situation Assessed

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 30 Jan 82 p 6

[Article by "Gz," datelined Berlin, 29 January 1982: "GDR Economy Like a 'Lighthouse' in the Economic Waves--Surplus in Inner-German Trade; Petroleum Prices Force Saving of Energy"]

[Text] The participants of a colloquium staged by the Berlin Research Center for All-German, Economic and Social Affairs and directed by Professor Thalheim were agreed that the GDR's 1981 economic development had been relatively favorable and that in comparison with other Eastern Bloc countries the GDR looked like "a lighthouse of relative economic stability in a crisis-ridden sea." To be sure, the researchers expressed doubts as to whether after its successful start in the new five-year plan period (1981-85) the GDR would be able to maintain its growth rate and above all whether it could overcome its difficulties in the field of foreign trade. The figures published are increasingly scant and less and less comparable; the researchers deplored the "nonchalant approach to the plan data on the part of high functionaries."

In the field of foreign trade, the GDR has been able--by pursuing a policy bank experts consider adroit--to uphold its reputation in the international capital markets. In the credit rating records kept by the European banks, the GDR still occupies a solid middle position behind the USSR and in the course of the Polish crisis it "slipped" only by a few places. It is known, however, that toward the middle of this year loans totaling approximately \$4 billion will become payable and possibly must be renegotiated. This is the equivalent of approximately 40 percent of all loans (\$10 billion) that the GDR obtained from Western banks. Consequently, it is essential for the GDR to maintain its international credit standing; however, aside from Honecker's remark that in 1981 the GDR had an active trade balance--i.e. that its exports exceeded imports--there are only very few reliable data. The experts hold that the 1981 trade balance surplus resulted primarily from the fact that up to November 1981 the GDR had effected a surplus of M 0.5 billion. In the second half of the year, the GDR also succeeded in reducing its grain imports from the United States. In 1982, however, the GDR will be faced with a sharp oil price increase within CEMA. This increase will unfavorably affect the payments balance vis-a-vis the Soviet Union. Moreover, the GDR could find itself compelled to buy on Western markets the oil that the USSR is unable to supply.

In the GDR's transport policy, too, the necessity quickly to save energy is more evident than ever. In the last few years, the demand for gasoline and diesel fuel has grown immensely. Rail and motor transport account for two-thirds of the diesel fuel consumed in the GDR, and passenger transport accounts for nearly 45 percent of the total transportation services. Presently, interplant transportation constitutes over 50 percent of the total freight transport volume. Through reorganization and by increasing the transport rates, individual freight volumes and stringent penalties, the GDR is now trying to enforce the necessary cutbacks.

Text of Report

East Berlin NEUES DEUTSCHLAND in German 16-17 Jan 82 pp 3-5

[Official text of "Report of the State Central Administration for Statistics on the Implementation of the 1981 Economic Plan"]

[Text] In 1981, the year of the 10th Congress of the Socialist Unity Party of Germany, the working people of the GDR did excellent work toward the further all-round consolidation of our republic. The creativity, initiative and industriousness of the workers, of the cooperative farmers, of the intelligentsia and of the other working people show that the resolutions adopted by the 10th SED Congress were understood and supported by the entire population. Even though the situation had become more complex, the proven policy of carrying out the principal task--which policy is characterized by the unity of economic and social policy--was continued for the benefit of the people and energetically and successfully implemented. The positive economic results show convincingly that the GDR economy is successfully developing along the course charted. The advantages of the socialist planned economy were again made evident.

The report delivered by the general secretary of the SED Central Committee, Comrade Erich Honecker, to the 10th SED Congress gave impetus to the enormously forceful and extensive socialist competition organized by the trade unions. Under the motto: "Rapid increase in output through growing labor productivity, efficiency and quality--for the benefit of the people and for peace," the working people totally met and systematically exceeded the targets set by the 1981 economic plan. These efforts were supported by all sectors of the national economy. The attainment of the ambitious objectives of the 1981 plan further advanced our country in regard to the organization of the developed socialist society.

The steady and dynamic economic expansion was successfully continued. It was possible through improved work efficiency to accelerate the rate of production increase. The work of the combines was an important contributing factor in this regard. The seminar-based exchange of experience between the Leipzig secretariat of the SED Central Committee and the general directors and Central Committee party organizers exerted a mobilizing influence on the mass movement and on the entire economic activity in the GDR. The commitments made in this respect were met; M 4.2 billion worth of commodities were produced in excess of the plan targets; this is the equivalent of a production volume of more than 3 days' output.

Through intense commitment, through many new activities, through proposals and through considerable work results, the cooperative farmers and agricultural workers and the workers of the forestry sector and the food industry are successfully implementing the resolutions adopted at the Party Congress.

The special significance of economic growth lies in the fact that the intensification of economic development was consistently continued, which resulted in increased efficiency. The first successful steps were taken toward all-round implementation of the economic strategy for the 1980's that was adopted at the 10th SED Congress. In regard to improved efficiency, the consistent orientation of the socialist planned economy toward the requirements of intensive development and the economy's ability flexibly to respond to changed conditions were of crucial

importance. The great expansion of output was attained almost exclusively through improved labor productivity and capital goods efficiency without any increases in material and energy input. The input-output ratio was improved through consistent socialist rationalization and more efficient use of basic assets.

Science and technology proved to be the key factors in regard to intensification of social production and improvement of productivity and efficiency. The economic effect of science and technology was further intensified. New revolutionary technologies and products were rapidly introduced into the production process. The increased refinement of raw and secondary materials greatly helped to increase the distributable end product and to reduce production input.

The expansion of the material-technical basis was attained above all through modernization and renovation. In regard to development and utilization of micro-electronics, extensive work was done in all sectors. In the industrial sector, the number of robots used exceeded the plan targets.

In 1981 as in previous years, the positive results produced were based on the staunch fraternal alliance with the Soviet Union and on the solid integration of the GDR in the community of socialist states. On the basis of coordinated plans and through the implementation of the program of production specialization and cooperation between the GDR and the USSR up to 1990, further steps were taken toward closer integration of the national economies of the two countries. The close link with the tremendous potential of the USSR--especially in the future-oriented fields of scientific-technical progress--is of inestimable value in this regard. Further projects concerning intensification of the socialist economic integration within CEMA were systematically implemented.

Through active support, the people of the GDR demonstrated their internationalist attitude and their friendship with the People's Republic of Poland. By supplying urgently needed goods valued at over M 200 million, the citizens of the GDR made an important contribution to the further normalization of life in our socialist neighbor state.

Thanks to the steady continuance and acceleration of economic growth, it was possible successfully to continue the social policy and to take further steps toward improvement of the citizens' working and living conditions. In 1981, extensive sociopolitical measures took effect. In the field of housing construction, the results attained were the best ever.

The projects concerning national defense and internal security and order--an integral part of the economic plan--were given a solid economic foundation.

In the mass movement "FDJ [Free German Youth] Mission 10th Party Congress," which was launched by the 11th FDJ Parliament, the young people--showing great willingness to perform, great creativity and a sense of social responsibility--made a significant contribution to the positive economic development. The performance comparison among the over 40,000 youth brigades guided by the motto "Everyone every day good results" has become an important element of the socialist competition. In the socialist competition entitled "For Greater Beauty in Our Cities and Communities--Join In," millions of citizens achieved significant results.

In the implementation of the 1981 economic plan, the following key results were achieved (preliminary data):

--At a growth rate of 5 percent, the GNP continued to show dynamic development. The increase attained (M 9 billion) is the hitherto greatest annual gain. The high growth rate of the national income is attributable to the steady performance increase and to the reduction of material and energy consumption in all sectors of the national economy. The industrial sector--posting a 6-percent increase in net production--accounted for a M 7.5 billion share of the increase in national income.

Over 90 percent of the GNP increase resulted from the rise in labor productivity. The ratio of production input to national income produced was further improved. The economic growth was attained without any increases in primary energy consumption.

--In the sectors under the jurisdiction of the industrial ministries, industrial commodity output rose by 5.9 percent, while in the national economy as a whole it showed a 5.1-percent increase. Thus the value of industrial commodities produced for the population, for the national economy and for exports exceeded by M 18 billion that of the preceding year. The plan targets concerning industrial commodity production were fully met (101.3 percent). The combines in the sectors under the jurisdiction of the industrial ministries produced M 4.2 billion worth of commodities in excess of the plan target. This is the equivalent of a production volume of more than 3 days' output. Essentially, this overfulfillment was achieved through material economies.

--The increase in industrial output was achieved primarily through improved work efficiency. In the sectors under the jurisdiction of the industrial ministries, the net production targets were exceeded by 3 percent.

The specific consumption of economically important energy sources, raw materials and materials was reduced by 5 percent. In the sectors under the jurisdiction of the industrial ministries, the plan targets concerning reduction of production and raw material costs per M 100 of commodity production were exceeded. The cost reductions totaled over M 1 billion.

--Labor productivity in the industrial sector increased by over 5 percent; 75 combines increased their rate of productivity increase over the preceding year. Over 90 percent of the production increase attained was achieved through improved labor productivity.

--The targets set by the state plan and by the enterprise plans concerning science and combine technology were met and in part exceeded. The share of top-level results of the tasks set by the State Plan for Science and Technology increased to 79 percent. The economic effect of science and technology was further intensified. The rise in labor productivity in the industrial sector is attributable almost entirely to the intensified utilization of scientific-technical results. Through introduction of scientific-technical measures, savings of M 493 million hours of working time were effected in the national economy; this represents a 12-percent improvement over 1980.

- The quality level of industrial production was raised further. M 53 billion worth of industrial goods bearing the "Q" quality seal were turned out; this represents a 19-percent increase over 1980. Many products were distinguished by greater reliability, longer service life and improved design.
- In order systematically to consolidate the material-technical foundation of the national economy and to continue the social policy adopted, a total of M 57 billion was invested. In the sectors under the jurisdiction of the industrial ministries, the investment volume was expanded by 2 percent; in complex housing construction, the investment volume increased by 4 percent. The share of investments for the rationalization of available basic assets was further extended. As a result of the investments in the metalworking industry, the number of jobs eliminated exceeded that of new jobs.
- Construction production increased by 4.1 percent and the plan targets were exceeded (100.9 percent). The overfulfillment was achieved without any additional material funds. Through improved efficiency, the net production plan targets were exceeded, with concomitant reduction of the basic material costs targeted per M 100 of construction output.
- 185,350 apartments were newly built or modernized, i.e. an increase of 10,850 over the plan target and an increase of 16,127 over the preceding year. Housing construction in the working class centers showed above-average increases. Living conditions were improved for 550,000 citizens.
- Socialist agriculture met or exceeded the plan targets concerning products related to livestock breeding. As to total crop production, the plan was overfulfilled. In regard to potatoes, sugar beets, corn and field-grown feedstuffs, the harvest exceeded the plan targets and the average yield obtained over a number of years.
- The transportation sector moved 1.1 billion tons of goods. The transport requirements of the national economy were met. Through measures concerning improvement of the transportation and transshipment conditions, it was possible to effect transport and energy economies. The specific transportation input was reduced. The shift of motor transport shipments to the railroads and to inland shipping helped further to reduce the consumption of fuel and energy.
- Foreign trade turnover increased by a total of 10 percent, while the volume of trade with the USSR expanded by 17 percent. Exports to the developing countries and to the capitalist industrialized countries showed significant increases. Even though the relations with these countries had grown increasingly complex, the great efforts put forth by the working people of the combines, enterprises and foreign trade firms brought about an active trade balance.
- In keeping with the improved results, the net monetary income of the population increased by M 4.0 billion (3.3 percent). In accordance with the plan, the share of the workers' and employees' salaries and wages of the population's monetary income expanded. In 1981, another 265,000 workers, foremen, university and technical school cadres received performance-oriented basic wages and salaries. For selected groups of employees engaged in health care and social work, wage increases went into effect on 1 December 1981.

- The real per capita income was raised by 4 percent.
- The retail trade turnover rose to M 102,5 billion. The plan target concerning production of finished goods for the population was met. Services and repair work for the population expanded by 12 percent.
- State services based on the social funds for the improvement of material and cultural living conditions of the population totaled M 58 billion. This amount exceeded by M 5.3 billion the funds allocated in 1980 for housing, for maintaining at a stable level rents, rates, and prices of basic necessities, and for satisfying the growing health-oriented, social and intellectual-cultural needs of the population.
- In the field of education, the quality and effectiveness of instruction were further improved. The material and personnel-related conditions concerning all-round education and training of the children and young people were continuously upgraded; 2,749 instruction rooms and 25,663 kindergarten openings were established. Every high school graduate was given access to an apprenticeship program or to university studies.
- The quality and effectiveness of medical and social care of the population were improved; 524 medical and dental positions, 14,205 daycare center openings and 3,811 rest home openings were created; 360,000 adults and children were granted treatment in health resorts.
- The mass character of physical education and sports became more pronounced in all sectors, above all in the sports programs for children and young people and in leisure-time and recreational sports.
- Since the opening of the Sports and Recreation Center in the GDR capital, Berlin, nearly 5 million visitors spent enjoyable hours in this place of active recreation.
- Through new creations, the artists and culturally creative individuals made a significant contribution to the enrichment of the intellectual-cultural life.
- The GDR capital, Berlin, underwent further development as the political, economic and intellectual-cultural center of the socialist GDR; this endeavor has become a concern of the entire republic. The 14,574 young people delegated to the Central Youth Project "FDJ Initiative Berlin" played a leading role in this regard.

1. Industry

As a result of the working people's great initiative and industriousness in the daily struggle for fulfillment of the economic plan, it was possible in 1981 to continue the steady and dynamic development of the industrial sector and to accelerate the rate of industrial production. The industrial sector's share of the national income and of the social end product was further increased. The plan target for industrial commodity production was exceeded each month.

Due to a 5.9-percent production increase, the state targets concerning industrial commodity production in the sectors under the jurisdiction of the industrial ministries were overfulfilled (101.2 percent). In all industrial sectors, the plan targets were exceeded. The combines made good the commitments made in April 1981 in Leipzig during the exchange of experience between the SED Central Committee and the general directors and Central Committee party organizers and their commodity production exceeded the plan targets by more than 3 days' output. Thus, in excess of the plan targets, M 4.2 billion worth of consumer goods were produced for the domestic trade, for the national economy and for exports, and for the most part these goods were produced with materials obtained through economy measures.

Enterprises Under the Jurisdiction of the Ministry for	Attainment of the State Targets for Industrial Commodity Production in 1981 (%)
Coal and energy	101.7
Ore mining, metallurgy and potash	101.0
Chemical industry	101.1
Electrical engineering and electronics	101.5
Heavy machinery and installations	101.2
Machine tools and processing machines	101.2
General machine building, agricultural machines, automotive construction	101.2
Light industry	101.2
Glass and ceramics industry	101.0
Bezirk-controlled industry and food industry	100.9
Geology	105.0

The plan targets for net production were exceeded by 3 percent. As regards reduction of raw material costs per M 100 of commodity production, the centrally controlled enterprises overfulfilled the plan target. The following 10 state-owned combines showed a 10-percent increase in both industrial commodity production and net production: Riesa Pipe Combine, Wolfen Photochemical Combine, Dresden Robotron, Erfurt Microelectronics, Carl Zeiss Jena, Berlin Automation Installations, Teltow Electronic Building Elements, Karl-Marx-Stadt "Fritz Heckert" Machine Tool Combine, Erfurt "Herbert Warnke" Transformation Technology, Leipzig "Werner Lamberz" Polygraph. These combines also attained great gains in labor productivity.

In the sectors controlled by the bezirk [GDR administrative unit] economic councils, the industrial production targets were met (100.9 percent), while the output volume rose by 4 percent. All of the bezirk economic councils exceeded the plan targets for industrial commodity production.

The plan quotas for the sale of finished goods for the population were overfulfilled in all industrial sectors. The combines producing primarily capital goods made an important contribution in this regard. They expanded their output of finished goods for the population, and vis-a-vis the producers of consumer goods they exceeded their supply targets. The consumer goods assortment was expanded by new products distinguished by greater use value and serviceability, lower energy consumption and improved design.

The supply of the national economy and of the population with fuel and energy sources was insured. In 1981, the coal industry produced the hitherto best annual result, recording an output volume of 267 million tons of crude brown coal, i.e. an increase of 3.3 percent. In the case of crude coal, the plan targets were exceeded by 5.1 million tons, and in the case of coal siftings, by 0.7 million tons. Regarding coal refinement products the production targets for brown coal briquettes were exceeded by 353,000 tons, and the targets for brown coal high-temperature coke, by 22,000 tons. The open-pit mines overfulfilled the plan quotas so as to provide ample winter supplies.

The average annual power plant output increased 105 percent over the preceding year. New capacities (1,000 megawatts) were put in operation according to schedule or even ahead of schedule.

The workers of the geological industry fulfilled or exceeded the plan targets concerning expansion of the supply of domestic mineral raw materials and ground water. The natural gas production target was fully met (103.6 percent).

The production plans concerning most of the key raw materials and fabricating parts were fulfilled or overfulfilled. Above-average growth rates were attained in regard to high-pressure as well as low-pressure polyethylene, steel pipes, conveyor belts, devices and installations for monitoring, regulation and control, hydraulic products, metal-cutting tools, industrial motors, and digital control devices.

With regard to microelectronics, the production targets were exceeded. The production of semiconductor elements and electronic building elements increased by 25 percent, while the output of basic components of electronic circuits rose by 45 percent. The output of industrial robots exceeded the plan targets, primarily on account of the FDJ initiatives "Microelectronics" and "Industrial Robots" that were launched by the 11th FDJ Parliament.

Significant increases were registered in the production of important machines and installations for rationalization and exports and in the production of various consumer goods.

Labor productivity in the industrial sector increased by over 5 percent. In 38 combines, the increase in labor productivity exceeded that of commodity production; 75 combines increased the productivity growth rate over that attained in 1980. The increase in labor productivity accounted for over 90 percent of the production gains.

The quality level of industrial production was further raised. The industrial sector turned out M 53 billion worth of goods bearing the "Q" quality seal; top-grade products accounted for 27 percent of the industrial commodity output subject to testing. A key factor in regard to the quality improvement were the 541 enterprises designated as "high-quality enterprise." The costs for rejects and warranty service were reduced by 5 percent per unit of commodity output; on the whole, these costs were below the level stipulated by the plan.

The enterprises' own capacities for the construction of means of rationalization were further expanded and utilized. Independent construction of means of rationalization increased by 23 percent over the preceding year. In excess of the plan

The 1981 Development of the Production of Key Products As Compared to 1980

Products	%
Electrical energy	101.9
Crude brown coal	103.3
Brown coal briquettes	100.2
Steel pipes	108.4
Cast-steel products	108.7
Polyvinyl chloride	112.4
ABS plastics	126.1
Synthetic silk	107.9
Synthetic fibers	103.6
Pumps	108.4
Industrial motors	109.2
Fittings	105.7
Roller bearings	107.5
Hydraulic products	109.8
Apparatus and devices for monitoring, regulation and control	111.3
High-voltage cables with aluminum conductors	108.5
Steel-enforced conveyor belts	141.0
Metal-cutting machine tools	108.8
Cold-forming machine tools	118.3
Machines for the treatment of plastics	108.9
Machines for industrial process engineering	113.7
Special equipment for the production of articles pertaining to electronics and electrical engineering	117.2
Machines for the textile, clothing and leather industries	106.7
Combines	117.6
Color film	121.4
Household washing machines	103.6
Household freezers,	102.9
including household refrigerators	110.9
Gas stoves	106.1
Mopeds (up to 50 cm ³)	104.6
Color television sets	117.8
Plate glass	110.7
Textile flooring	106.6
Knitted outer wear	101.7
Hosiery	105.0

target, M 257 million worth of branch-specific rationalization equipment was produced and put into operation. Many combines and enterprises raised the technological level of the production of rationalization equipment. The construction of rationalization equipment was oriented more strongly toward the production of industrial robots. The industrial enterprises' own construction departments increasingly contributed to rationalization and value maintenance.

In all industrial sectors, the advances made in regard to refinement of raw and secondary materials greatly helped further to improve energy and material economy. Through this intensified refinement, it was possible with an approximately equal amount of raw materials and energy sources to expand the volume of finished

products for the consumers, for exports and for the national economy. In the metallurgical and chemical industries in particular, good results were achieved in the production of high-grade products and in the reduction of production input, primarily through the application of advanced procedures and technologies. In the metallurgical industry, refined assortments accounted for 58 percent of the rolled-steel output.

Strict management and various initiatives of the workers helped better to meet the higher requirements concerning a more efficient use of energy and to reduce energy consumption in all sectors of the national economy.

The specific consumption of economically important energy sources, raw materials and materials was reduced by 5 percent. The metalworking industry reduced the specific rolled-steel input by over 6 percent. Likewise, cutbacks were effected in the consumption of nonferrous metals and plastics. This economic growth was attained without any increases in primary energy input. Price-related measures contributed to the reduction of production input.

On account of overfulfillment of the plan targets for domestic energy sources, it was possible largely to replace imported fuel. In the case of hard coal, consumption was reduced by one-third, and in the case of fuel oil, by 15 percent from the preceding year's level. The share of crude brown coal of primary energy consumption was increased: it rose from 64 percent in 1980 to over 67 percent in 1981. The requisite changes in the enterprises and combines were made without any disruption of the production process.

Further progress was made in the procurement and utilization of secondary raw materials, which presently meet approximately 10 percent of the demand for industrial raw materials. The procurement of steel scrap increased by 1 percent over the preceding year. The steel scrap share in the production of crude steel amounted to over 70 percent, and the share of recycled paper in the production of paper and cardboard amounted to 46 percent. Increasingly, the initiatives of the population contributed to the procurement of secondary raw materials. In the "Material Economy" operation, the members of the FDJ and of the "Ernst Thaelmann" pioneer organization effected returns of M 1.6 billion. They recycled 425,000 tons of scrap metal and 78,000 tons of waste paper.

In the industrial sector, the time-related utilization of the production capacities amounted on average to 15.0 hours per calendar day. In the metalworking industry, the number of enterprises fully utilizing their machines and installations on a 3-shift schedule on all working days—with the highly production production equipment used on weekends as well—increased further. Significant reserves can be tapped by transmitting the experience gained in enterprises such as Erfurt Radio Works, Enterprise for Optics in the Carl Zeiss Jena VEB, Rothensee Steel Foundry, and the parent enterprises of the Karl-Marx-Stadt "Fritz Heckert" Machine Tool Combine and of Erfurt "Herbert Warnke" Transformation Technology, all of which enterprises did exemplary work in regard to time-related utilization of production capacities.

The results achieved in economizing on materials, energy and human labor are reflected in the reduction of costs. The total production costs per M 100 of actual commodity output were reduced by 1.5 percent, as compared to 1980; 38 combines effected a cost reduction of 3 percent and more. The plan target concerning

reduction of the total production costs per M 100 of commodity output was exceeded; the cost reduction thus realized totaled over M 1 billion.

The water management sector insured a stable supply of drinking water for the population and of water for all of the sectors of the national economy. Through systematic investment and thanks to the efforts of the population, 35,000 households were linked up to a central drinking water supply system. The targets concerning water management-related investments and conservation measures toward further intensification of agricultural production were met or exceeded. Under the conditions of extreme precipitation prevailing in 1981, the flood protection installations and reservoirs proved effective. Thus it was possible to limit the extent of flood damage.

The measures concerning environmental protection, above all in the industrial high-density areas, were systematically continued.

II. Science and Technology

In science and technology, significant work was done toward raising the level of production quality and efficiency and reducing production input.

The production of top-grade products for exports and for the national economy and of consumer goods was expanded to 119 percent and the rate of increase exceeded the increase of total commodity output.

Through introduction of scientific-technological results, including the results obtained in robot technology and microelectronics, the national economy effected savings of 493 million hours of working time, i.e. the equivalent of the annual working capacity of 275,000 workers. Thus the production expansion was largely the result of increased labor productivity.

Moreover, through creation and reorganization of 222,000 jobs in accordance with the findings of scientific work organization, it was possible to ease working conditions and eliminate health hazards for 26,000 workers.

Increasingly scientific-technical findings concerning efficient use of energy were applied in practice. The specific energy savings effected in this way equaled over 10 million tons of crude brown coal. Through the simultaneous substitution of liquid and other imported energy sources, it was possible to insure production gains without any increases in primary energy input.

Through introduction of material-saving designs and technologies, the specific consumption of economically important raw and secondary materials was reduced. Of special economic significance is the reduction of the specific rolled-steel consumption, by means of which it was possible to effect savings of 350,000 tons of rolled steel.

Thanks to these results, it was possible—in accordance with the resolutions adopted at the 10th SED Congress—markedly to increase the economic effect of science and technology through high-level, creative work in research and development, through acceleration and extension of the transmission of the results to the production process and through improvement of the input-output ratio.

On the basis of the state orders and the other tasks set by the State Plan for Science and Technology, the scientific-technical capacities were focused on the economically most crucial areas of scientific-technical progress; in this way, the following top results were achieved:

- In order to accelerate the development of microelectronics, new basic technologies and highly productive equipment including high-performance atomizing installations and fully automated wire bonders, were introduced in the production process. Through new circuits, including a new microprocessor system, new storage circuits of increased capacity and monolithic analogue/digital transformers, the possibilities concerning application of microelectronics in the national economy have been expanded.
- The startup of series production of multipurpose industrial robots and the completion of the development of key robot components such as hydraulic linear motors and electronic control systems created further conditions favorable to the extensive employment of robot technology in the national economy.
- The intensification of refinement of the available raw materials and energy sources was advanced by new results such as the procedure for hydrotreatment of vacuum distillates for a more efficient utilization of oil, the technology allowing replacement of oil through use of brown coal dust and briquette shavings in small steam generators, the introduction of new highly refined plastics such as polyethylene for heavy-duty foil and PVC for pressure pipes, and the production of refined metallurgical products such as high-alloy construction wire and galvanically refined cold-rolled steel strips.
- In order further to improve the supply of the population with high-grade consumer goods, the industrial sector started production of new color television sets, household gas stoves, washing machines equipped with an energy-saving program, the ETZ-250 motorcycle, new types of furniture, textile products distinguished by improved wear characteristics, and new paints and tools for the do-it-yourself trade.

The tasks set by the state plan and by the combines' plans for science and technology outside the state plan were met and in part exceeded. The scientific-technical results transmitted in 1981 to the production process created the preconditions for the production of M 17 million worth of top-grade commodities in 1982.

The improved scientific-technical quality of the research results is reflected in the further increase in patent applications. In comparison with 1980, the number of inventions resulting in patent applications increased by 12 percent.

The share of top-level results of the tasks set by the State Plan for Science and Technology increased to 79 percent. In regard to the tasks set by the combines' plans for science and technology outside the state plan, it is necessary--subsequent to examination of the objectives of all research and development tasks in accordance with the resolutions adopted at the third session of the SED Central Committee--markedly to increase this share.

The scientific-technical cooperation with the USSR and with the other CEMA member states helped to accelerate the accomplishment of the tasks of science and

technology. The goals established in ministerial arrangements and government agreements with the USSR were attained. Of inestimable value in this regard is the fact that the GDR's research and technology has in this way been linked--especially in the future-oriented areas of scientific-technical progress--with the tremendous potential of the USSR.

Within the framework of the practice-oriented basic and applied research of the academies, universities and technical colleges, it was possible in regard to over 90 percent of the tasks set by the State Plan for Science and Technology to produce research results that are so good as to be considered in the determination of the advanced international standard. This is impressively and convincingly confirmed by the work of the GDR Academy of Sciences and its research institutions. To increase the rate of the scientific advance, further concentration-oriented measures were taken both in basic research and in process- and product-oriented research and development. This goes above all for the intensification of the work in the energy and raw material sector, of microelectronics and automation, of raw material management, of agricultural and food production, and of health and environmental protection. Thus there were created in crucial areas the requisite conditions for future improvements of performance and efficiency.

The creativity of the innovators, inventors and efficiency experts was systematically oriented toward accomplishment of the tasks set by the plans for science and technology. In the state-owned economy, 1.8 million workers participated in the innovator movement. The 1981 returns of the innovations introduced in the production process amounted to M 4.8 billion.

Through initiatives and through the movement "Fair of the Masters of Tomorrow," the young people and the members of the Chamber of Technology made an important contribution to the utilization of scientific-technical progress for improved economic performance. The plan targets of the central youth projects of the State Plan for Science and Technology were met and in part exceeded. Of the 2,200 exemplary achievements shown at the 24th Central Exhibition of the Masters of Tomorrow, over three-fourths were based on the science and technology of the combines and enterprises. In consequence of the high scientific-technical level, patent applications were submitted for over 200 of the exhibits shown. The number of licensing agreements concerning use of exhibits (1,135) was approximately twice as high as that of 1980. The scientific-technical work of the young people was given great impetus by the accomplishment of the tasks set by the plans for science and technology and by the FDJ initiatives "Microelectronics" and "Industrial Robots."

III. Investments

The investments designed systematically to consolidate the material-technical basis of the national economy and to pursue the social policy adopted totaled M 57 billion. In the sectors under the jurisdiction of the industrial ministries, investments increased by 2 percent. In complex housing construction, the investment volume rose by 4 percent.

The effectiveness of the investments was improved. Increasingly, investments were directed to areas such as microelectronics and robot technology, which are of crucial importance for the introduction of advanced technologies, for the refinement of raw materials and for automation.

In the industrial sector, investments for rationalization of the material-technical basis increased by 11 percent. The share of construction investments was reduced to 26 percent. On a larger scale, the available basic assets were rationalized on the basis of advanced technologies. These efforts were effectively supported by significant increases in independent construction of rationalization equipment and by the increased construction volume of the combines' own construction departments. Over 17 percent of the investments in machinery in the sectors under the jurisdiction of the industrial ministries resulted from independent construction of rationalization equipment.

The number of new investment projects was further reduced. Thus it was possible to focus more strongly on economically urgent projects, to shorten the time span needed for implementation, and to reduce the investment input. Thus progress was made in regard to rapid transmission of important results based on the State Plan for Science and Technology to the production process. In the case of certain projects, implementation was still too time-consuming, and much effort will be necessary to reduce the construction times to the social norm of 2 years and less.

Numerous high-quality capacities were completed and put successfully in operation ahead of schedule. As a result of the solid preparations for the startup of the capacities, the technical-economic targets were in part exceeded and the planned startup times were reduced. The planned commodity production increase based on completed investment projects was exceeded by 5 percent.

In 1981, 251 production complexes based on centrally planned investment projects were put in continuous operation. These capacities include the following:

- For energy and raw material production and for refining metallurgy, the first 500-megawatt block in the Jaenschwalde Power Plant; the steam generators 1 to 3 and the first and second turbo sets in the Berlin-Rummelsburg Power Plant; the Cottbus-Nord and Jaenschwalde open-pit mines; the cracking and aromatics complex in the Schwedt Petrochemical Combine VEB; installations for copper and enameled wire and for copper and copper-alloy strips in the Hettstedt Rolling Mill VEB.
- Production complexes for products based on microelectronics and electrical engineering such as silicon disks in the Freiberg Trace Metals VEB; heavy-duty transistors in the Stahnsdorf Rectifier Plant VEB; synthetic condensers in the Goerlitz Condensor Works VEB; integrated circuit elements in the Hermsdorf Ceramic Works VEB; low-voltage switching mechanisms in the Oppach Circuit Electronics VEB.
- Production complexes for fabricating parts such as Polyamid-Dedotex in the Guben "Herbert Warnke" Chemical Fiber Works VEB; finished flanges in the Bebitz Flange Works VEB; brake hydraulics in the Limbach-Oberfrohna Brake Hydraulics VEB; chipboards in the Beeskow Chipboard Works VEB; and aerated cement elements in the Hennersdorf Aerated Cement Works VEB.
- Production complexes for producer goods such as metal-cutting machine tools in the Aschersleben Machine Tool Works and in the Berlin "7 October" Machine Tool Combine, parent enterprise; cold-forming machine tools in the Aue Machine Tool and Sheet Metal Working VEB.

--Production complexes for consumer goods such as woven blankets in the Kirschau United Coarse-Yarn Works VEB; knitted outer wear in the Apolda Thueringer Knitted Outer Wear VEB; men's shoes in the Ehrenfriedersdorf "Panther" Shoe Works VEB; the new brewery in Dresden, and greenhouses in the Vockerode Greenhouse Works VEG.

The ratio of reduction of jobs to creation of new jobs was further improved. In the metalworking industry, the number of jobs eliminated in 1981 exceeded the number of newly created jobs. The accelerated application of robot technology was a significant factor in this regard. The number of robots employed in the national economy increased to 13,000. Due to the use of robots, it was possible significantly to increase labor productivity and simultaneously to improve the employees' working conditions.

The total investment volume for housing construction, education, health care and social welfare, culture, recreation, physical education and sports amounted to M 13 billion. The completed projects include 115 high schools, 1,500 student dormitories, the Neue Gewandhaus in Leipzig, the House of Culture in Gera. The construction and reconstruction work at the Charité were continued. The diagnostic complex was completed according to schedule. In Halle-Sued, a special-education complex for handicapped children and children with hearing difficulties was inaugurated. Thirty-five new department stores were erected to improve the consumer supply situation.

The reconstruction work at the Platz der Akademie, the construction of the Berlin Friedrichstadtpalast and the reconstruction of the Dresden Semper-Oper were continued according to schedule.

IV. Construction Sector

Each month, the workers of the construction sector exceeded the plan targets. They met their competition commitment to exceed the production plan target of the construction sector by 3 days' output.

The construction volume increased by 4.1 percent over the preceding year. The plan targets were exceeded (100.9 percent). The fact that the construction work exceeding the plan targets was accomplished without any additional materials is of special economic significance. The central'y controlled construction combines and the locally controlled bezirk construction enterprises exceeded their plan targets.

Overfulfillment of the plan targets and very great increases in output were achieved by the Leipzig Technical Building Equipment Combines, the Leipzig Light Metal Construction Combine, the Erfurt Construction and Assembly Combine, the Dresden Building Mechanization Combine, the Magdeburg Housing Construction Combine and the Leipzig Transportation and Underground Engineering Combine.

The plan targets concerning production of building materials and products of the prefabrication industry were exceeded (101.2 percent). In regard to key products such as heating panels and sanitary ceramics, the plan targets were exceeded.

The net production plan target was exceeded with concomitant overfulfillment of the target concerning reduction of basic material costs per M 100 of construction output.

The qualitative growth factors were utilized to a greater extent. Labor productivity increased by 3.2 percent, thus exceeding the rate stipulated by the plan; 823 new projects based on the state plan and the enterprise plans for science and technology in the construction sector were introduced in the production process.

The scientific-technical work increasingly focused on reduction of the specific construction input and of construction time and on measures concerning enforcement of an energy-saving construction approach. Through introduction of new or advanced products or technologies, it was possible to cut down on the specific consumption of key materials such as rolled steel, lumber and cement.

Reserves for rapid growth and improved efficiency can be found in elimination of the differences between the individual combines in regard to performance development and in cost reduction through elevating the best performance to the general norm. In industrial construction, the capacities were increasingly focused on rationalization and reconstruction projects. The construction volume of industrial enterprises maintaining their own construction department increased by 12 percent.

The housing construction sector achieved the hitherto best annual result: 185,350 apartments were built or modernized, i.e. an increase of 10,850 over the plan target and an increase of 16,127 over the preceding year; 125,731 new apartments were completed, including 15,636 owner-occupied homes; 59,619 apartments were modernized. In all bezirks, the plan targets were exceeded.

The following projects were completed: 14,205 daycare center openings, 25,663 kindergarten openings, and 2,749 instruction rooms and 158 school gymnasiums at the general-education high schools. For senior citizens, 3,811 openings in rest- and nursing-homes and 2,631 openings in dormitories were newly established. Thus the plan targets concerning establishment of communal institutions were exceeded. In a number of kreises [GDR administrative unit], the plan targets were not fully attained or the attainment fell short of the site specifications.

The housing repair work showed an above-average increase (8 percent). Through considerable achievements in the "Join in" competition, the population contributed to the improvement of housing conditions. Among other things, 130,000 apartments for handicapped and senior citizens were renovated. The network of repair centers was expanded to 3,300. In the course of its "Rebuild and Expand" operation, the FDJ modernized 11,800 apartments.

In the capital city of Berlin, 19,509 apartments were newly built or modernized—an achievement unmatched in any previous year. The construction targets set for the republic's bezirks in regard to projects in the capital were exceeded. The young construction workers taking part in the "FDJ Initiative Berlin" played a leading role in this regard.

V. Agriculture, Forestry and Food Industry

In close collaboration with all sectors of the national economy, the cooperative farmers and agricultural workers amply supplied the population and the industrial sector with foodstuffs and raw materials, respectively, and they fully met their export commitments. The commitments made in the letter by leading agricultural cadres to the SED Central Committee were met.

The state production plan was fulfilled or overfulfilled for all animal products.

Product	Fulfillment of the 1981 Economic Plan		Development as Compared with the Preceding Year
	kt	%	%
Meat animals	2508	108.3	107.4
Milk	6843	100.0	98.8
Eggs (mill)	4884	107.3	103.7

The high livestock volume was maintained.

Item	Livestock as of 31 Oct 81 (in 1000 head)
Cattle	5,749
Including: Cows	2,122
Pigs	12,869
Sheep	2,169
Layer hens (mill)	26

Through improved breeding results—combined with a reduction of the losses of calves and piglets—and thanks to improved feed economy, it was possible further to improve livestock breeding efficiency.

In regard to crop production, the planned harvest volume was exceeded. The grain harvest was relatively good, but the plan targets were not fully met. The harvest results for potatoes, sugar beets, corn and field-grown feed exceeded the plan targets and the average yield obtained over a number of years. The following yields per hectare were obtained:

Crop	Average 1976-1980 1981	
	dt per hectare	
Grain	36	36
Potatoes	175	205
Sugar beets	269	301
Field-grown fodder	355	403
Green and silage corn	293	366
Meadows and pastures	276	297

The state plan for crop production was fulfilled for grain, cooking potatoes, sugar beets and vegetable, while the targets for oleiferous crops and for fruit were not fully met. Late-season frost caused harvest losses in regard to cherries, plums and berries.

The cooperative farmers, the agricultural workers maintaining private plots, the members of the Association of Allotment Gardeners and Small Livestock Breeders and other small producers greatly helped to supply the population with fruit, vegetables, eggs, fowl, rabbit meat and honey.

Through their fall cultivation efforts, the cooperative farmers and the workers of the LPG, VEG and cooperative associations laid the foundation for systematic crop production and livestock breeding in 1982. Winter grain was sown on 1.9 million hectares, oleiferous crops on 127,000 hectares, and winter intercrops on 419,000 hectares.

Through drainage and irrigation measures, water regulation and thus soil productivity was improved on 61,000 and 38,000 hectares of agricultural acreage, respectively.

The workers of the food industry met the plan targets for industrial commodity production (102.6 percent). In comparison with the preceding year, output was increased to 102.0 percent.

The maintenance enterprises of the agricultural, forestry and food industries fulfilled their plan for independent performance (102.5 percent).

In the agricultural, forestry and food industries, the plan concerning independent construction of rationalization equipment was overfulfilled (105.3 percent). Total output exceeded by one-sixth the volume attained in 1980.

In socialist agriculture, the input-output ratio was improved. Reserves can be tapped through closer cooperation between crop production and livestock breeding and through elimination of the still existing differences in the yield and performance levels between the LPG, VEG and cooperative institutions working under comparable production conditions.

The forestry workers made available to the national economy 9.9 million cubic meters of timber, thus fulfilling the economic plan. Through great efforts on the part of forestry workers, through the FDJ's "Healthy Forest" operation and through the collaboration of cooperative farmers, additional forces from enterprises and institutions and volunteers from the population, it was possible by the end of 1981 to salvage 6 million of the 7 million cubic meters of timber damaged by snow and wind and to make this timber available to the national economy.

VI. Transportation, Post and Telecommunications

The transportation sector moved 1.1 billion tons of goods. The transport requirements of the national economy were met.

Through measures concerning a more efficient organization of delivery and transportation conditions and of the transshipment processes, transport and energy economy was improved.

The specific transportation input of the national economy was reduced by 4 percent. The shift of motor transport shipments to the railroads and to inland shipping helped further to reduce the consumption of power fuel and energy. The specific consumption of power fuel was reduced.

In regard to domestic freight transport, the share of the railroads and of inland shipping rose from 70 to 72 percent.

The railroad system moved 315 million tons. The total freight volume exceeded by 8 million tons that of 1980. This applies above all to important types of cargo such as coal, fertilizer and building materials. To improve efficiency, 30 electric locomotives, 8,300 freight cars and 3,500 containers were put in operation; 95 kilometers of track were electrified. The freight volume moved by electric locomotives increased from 20 percent in 1980 to 22 percent.

Through improved cooperation with the production enterprises, a higher rate of freight car utilization was attained. Not all enterprises were able to accelerate turnaround through timely unloading of the freight cars.

The inland shipping sector expanded its freight transport volume by 9.4 percent. The plan targets were exceeded.

The public transportation sector and the interplant transportation system moved 686 million tons of goods. By means of a more efficient layout of transport routes and by shifting shipments to the railroads and to inland shipping, it was possible to reduce by 6 percent the freight volume moved by motor and interplant carriers.

In the GDR seaports, the ship handling times were shortened. All ports exceeded the freight transshipment plan targets. The transshipment volume totaled 19.5 million tons. Thus the plan was overfulfilled by 0.5 million tons.

The public means of transportation transported an average of 11 million passengers per day. Through addition of new coaches, Tatra streetcars, autobuses and subway cars, the vehicle fleet was further modernized. By putting into service new routes, by increasing the vehicle frequency on existing routes and by organizational arrangements with the enterprises engaged in passenger transportation, the quality of commuter transport was improved. The transport-development measures in connection with the housing construction program were systematically implemented.

The services of the post and telecommunications sector increased by 3 percent over the preceding year; 40,000 telephone connections were established, three-fourths of which were set up in private households. The share of automatically transmitted long-distance calls amounted to 95.2 percent. The plan targets were exceeded.

VII. Foreign Trade

Due to the acceleration of the GDR's economic growth and the considerable achievements of the workers of the combines, enterprises and foreign trade firms, the foreign trade turnover increased by 10 percent.

A key factor in the GDR's economic development was the trade with the USSR and the other CEMA member states. The USSR is the GDR's most important trading partner. Regarding trade with the USSR, the turnover volume increased by 17 percent.

Within the framework of socialist economic integration, further measures were taken toward long-term safeguarding of the raw material and energy basis, provisioning of the population with consumer goods, development of economic and scientific cooperation, and production specialization and cooperation. Benefiting from the cooperation with the socialist fraternal countries, the GDR has been participating in the worldwide international division of labor.

The economic and scientific-technical cooperation with the developing countries, which is based on the principles of equality and mutual benefit, was further intensified.

Exports to the developing countries and to the capitalist industrialized countries were significantly expanded. In view of the continuing economic recession in most of the capitalist countries, the disruptions of currency relations, 2-digit inflation rates, record-level interest rates, stock market slumps and foreign trade restrictions comprising embargoes, the industrial and foreign trade sectors were hard put to increase exports to the capitalist industrialized countries. The trade relations with France, Austria, Japan, Sweden and the FRG were developing quite favorably. The great efforts put forth by the workers of the combines, enterprises and foreign trade firms brought about an active trade balance.

Introduction of new products meeting the requirements of the world market improved the export structure in key areas. A number of combines and enterprises did not fully meet the high export targets.

VIII. Development of the People's Material and Cultural Living Standard

On the basis of steady and continuous economic growth, the social policy was successfully continued. New steps were taken toward improvement of the citizens' working and living conditions.

The continuation of the housing construction program, the cornerstone of the SED's social policy, improved in 1981 the living conditions for 550,000 citizens, primarily in the centers of the working class. In regard to allocation of the newly built or modernized apartments, workers, young couples and large families were given precedence. In 1981, 237,476 children were born.

In keeping with the increased economic performance, the net monetary income of the population increased by 3.3 percent. The share of the workers' and employees' wages and salaries of the monetary income of the population increased according to plan.

Extensive sociopolitical measures were put into effect:

- Beginning on 1 January 1981, performance-oriented basic wages and salaries in combination with scientific work organization were gradually introduced for another 265,000 workers, foremen, university and technical school cadres.
- Beginning on 1 December 1981, 265,000 workers engaged in health care and social work received higher wages.
- Over 36,000 employees in the housing sector and in private trade enterprises were given raises.
- Further generous measure concerning assistance for young people in training programs, on their jobs, and in their families were put into effect.

Beginning in September 1981, the following allowances were granted:

A higher apprenticeship allowance for all apprentices;
state scholarships to all students at universities and technical colleges;
bonuses for outstanding study performance;
education allowances for all students of grades 11 and 12 of the expanded high schools.

Beginning on 1 September 1981, the credit terms for young couples were eased considerably.

Beginning on 1 December 1981, the child allowance for a given family's third and every additional child was raised to M 100.

The state's social fund-based services for the improvement of the people's material and cultural living standard amounted to M 58 billion. Thus the amount allocated to the housing sector, to maintenance of low rents, stable rates and retail prices for basic necessities, and to satisfaction of the people's growing health-related, social and intellectual-cultural needs exceeded by M 5.3 billion the total allocated in 1981.

A family of four received an average of M 860 per month in the form of services and assistance from the state's social funds.

The real per capita income was raised by 4 percent.

The increase in the net monetary income of the population was accompanied by numerical and qualitative increases in the commodity assortment. The retail trade turnover increased by 2.5 percent, i.e. to M 102.5 billion. In regard to industrial goods, the retail trade turnover rose to M 50.8 billion, and in regard to foodstuffs and nonessential foods and beverages, to M 51.7 billion. The population was amply provided with the basic necessities and the supply of top-quality industrial consumer goods was markedly improved.

The Quantitative Supply of Foodstuffs and Nonessential Foods and Beverages Showed the Following Changes as Compared with 1980

<u>Item</u>	<u>%</u>
Meat and meat products	101
Fish and fish products	99
Cheese	104
Baby food	101
Cocoa and chocolate products	104
Spirits	103
Wine and champagne	108
Fresh vegetables	104

The industrial commodity supply was adapted to the increasingly differentiated demand. The assortment of goods for children and young people was significantly expanded. For most industrial consumer goods, the targets of the supply plan were met and in part exceeded. In regard to a number of products, high rates of increase in supply were attained.

1981 Quantitative Increase in the Domestic and Imported Commodity Supply as Compared with 1980

<u>Item</u>	<u>%</u>
Household freezers	113
Electric stoves	110
Mixers	109
Vacuum cleaners	106
Color television sets	112
Washing machines	104
Household china	109
Reflex cameras	106
Bicycle tires	118
Sports clothes	104
Hosiery	103
Knitted underwear	107
Bed linen	112
Terry towels	113

The supply of top-quality, well-designed consumer goods was increased. In accordance with the differentiated development of demand, goods were made available in all price categories. Medium-price, well-made goods constituted the bulk of the commodity supply.

The population was provided with a larger assortment of the "1,000 little things." The production and supply of spare parts was further expanded.

The supply of top-quality household consumer goods was increased. Ninety-three percent of all households owned television sets and 99 percent were equipped with freezers; as regards washing machines and automobiles, the percentages were 84 and 39, respectively.

Consumer services and repair work increased by 12 percent, while the volume of repair work on technical consumer goods expanded by 8 percent. Marked improvements were made in regard to customer service in connection with repair work. The cooperative and private tradesmen stepped up their customer service and repair work by 9 and 11 percent, respectively. Through evaluation of the best results and through application of efficient technologies, a number of bezirks were able to reduce delivery times and to improve the quality of the services and repair work. The volume of automobile repair work for the population expanded by 9.5 percent.

In the field of public education, the quality and effectiveness of instruction showed further improvement. The work of the educators was oriented toward high-level, practice-oriented education of the young people, toward development of their class consciousness and their political awareness.

The material and personnel-related conditions necessary for the all-round education and training by the schools were improved on a continuing basis; 2,749 instruction rooms, 158 school gymnasias, 2,205 boarding schools and 25,663 kindergarten openings were newly established.

All children whose parents wanted to make use of such programs were given access to kindergartens; at present, 92 percent of the children in the respective age groups are accommodated in kindergartens and prepared for school. All pupils of grades 1 to 4 have access to a school-affiliated daycare center. The share of the children taking advantage of such centers constitutes approximately 75 percent.

9,260 graduates of the pedagogical academies assumed their duties as school teachers, boarding school instructors or kindergarten teachers.

The polytechnical training of the students was further improved. The students of grades 7 to 10 were taught by 9,445 full-time and 26,400 part-time teachers. The quality of the extracurricular education and training was further improved. At present, the general-education schools and the extracurricular institutions maintain 113,550 study groups comprising 1.4 million members. Over 72 percent of the students of grades 1 to 12 engage in sports in the school sports associations or in the DTSB [German Gymnastics and Sports League] sections.

Over three-fourths of the students took advantage of the school lunch programs, while two-thirds received milk.

Thanks to the various initiatives of the instructors and educators, the quality of the vocational training was further improved. Great progress was made in regard to the training of new talent for all sectors of the national economy. In keeping with the requirements resulting from the improvement of technologies through application of microelectronics and robot technology, new curricula were introduced for five trades, while for other trades the training programs were further developed and defined. All high school graduates had access to an apprenticeship program or to university studies. In September, 219,300 high school graduates began their vocational training; 86.3 percent of these students had graduated from grade 10 of the general-education, polytechnical high school.

To improve the material-technical conditions of the vocational training, 186 instruction rooms and 8 school gymnasias were established in communal and intraplant vocational schools; in the dormitories for apprentices, 3,296 openings were created.

Due to the further qualitative improvement of the practical vocational training and of the vocational competition, the apprentices produced better and better results. By the time these apprentices were ready to take the journeyman's examination, 90 percent of them were producing work appropriate to a skilled worker. Fifty percent of all apprentices actively participated in the MMM [Fair of the Masters of Tomorrow] and innovator movement.

To insure efficient energy use in the work process, the adult education program started advanced training of over 8,000 workers on the basis of newly developed programs for the personnel operating and controlling electrically and fuel-powered industrial and boiler installations.

At the universities and technical colleges, progress was made in regard to the training and communist education of the students and junior scientists on a high professional level and in the spirit of the scientific world view of the working class. Detailed instruction programs and curricula were a key factor in these efforts. The universities and technical colleges intensified their contacts with

the combines and enterprises. As a result, research results were more rapidly given practical application.

81,300 students embarked on university or technical school studies; 62,000 of these individuals were full-time, attending students; 66,000 students successfully completed their studies.

Greater attention was directed toward the advanced training of university and technical school cadres on the basis of increased specialization and stronger orientation toward economic issues. Among other things, the universities, the GDR Academy of Sciences and the Chamber of Technology developed a long-term "microelectronics" training program.

The working, study and living conditions at the universities and technical colleges were further improved. A total of 1,500 dormitory openings and 2,500 auditorium, seminar and work places were newly created; kitchen facilities with a capacity of 1,650 helpings were established.

The quality and effectiveness of medical and social care were improved. In the big cities and industrial high-density areas in particular, basic medical care--especially in the fields of general medicine, pediatrics and stomatology--was improved; 524 medical and dental work places were established; for every 489 citizens, a physician is available. By means of reconstruction, modernization and new construction, the hospitals were able to add 1,160 beds.

Further progress was made in regard to specialized and highly specialized medical care. Preventive therapy was expanded in regard to cardiac and circulatory disorders, the care of diabetics and other widespread diseases.

The 3,800 intraplant health-care centers take care of 6 million workers, i.e. more than two-thirds of all working people.

The number of work-related accidents and the incidence of accidents continued to decline. For many years, the GDR has been one of the countries distinguished by the lowest incidence of work-related accidents per 1,000 employees.

360,000 adults and children were granted treatment in health resorts.

Care of physically and mentally handicapped individuals was intensified. As a result of the increase in the number of protected jobs (to 34,500), additional severely and extremely handicapped citizens were enabled to hold a job; 13,420 physically and mentally handicapped children and young people receive special support in appropriate institutions.

Thanks to the establishment of 14,205 daycare center openings, further progress was made in regard to care of infants; consequently, 625 of 1,000 children of the respective age groups have access to daycare centers.

The housing and living conditions of retired workers were improved. For senior workers and for workers in need of care, 3,811 openings in old-age and rest homes and 2,631 openings in dormitories were created.

In all sectors, above all in the sports program for children and young people and in the leisure-time and recreational sports, the mass character of physical education and sports became more and more evident. Millions of people participated in various ways in sports activities. The German Gymnastics and Sports League of the GDR intensified its social influence—especially in the enterprises—through formation of new athletic associations, sections and sport groups; 164 athletic associations and 1,291 sections were established.

Visible evidence of the young athletes' striving for excellence was the participation of over 1 million children and young people in the children's and young people's winter and summer olympics in the kreises. In 1981, the requirements for obtaining the GDR sports badge—"Ready for Work and for the Defense of the Homeland"—were met by nearly 4 million citizens. At world and European championships, GDR athletes won a total of 56 gold, 40 silver and 26 bronze metals. Since the opening of the Sports and Recreation Center in the GDR's capital, Berlin, in April 1981, nearly 5 million visitors have spent restful and enriching hours in this place of active recreation.

The population was provided with a total of 272 sports facilities, including 54 stadiums and 180 sports arenas.

The FDGB [Free German Trade Union Association] Holiday Service and the socialist enterprises granted a total of 4.65 million vacation trips to working people and their families, including 1.85 million to vacation centers of the FDGB Holiday Service and 2.8 million trips to company-owned and contractually utilized vacation centers. The FDGB Holiday Service and its enterprise-based interest groups produced nearly 2,200 sleeping accommodations. New holiday dormitories and settlements were built in Zeulenroda, Binz, Heubach (II), Biberau and Ferch.

The GDR Travel Service and the travel agency of the FDJ's "Young Tourist" arranged over 600,000 vacation trips. Over 700,000 citizens spent their vacations at state-owned camping grounds in the GDR. During the summer holidays, approximately 80 percent of the high school students were taken care of in this manner. In the central pioneer camps, 3,140 openings were newly created. Thus the pioneer camps "Palmiro Togliatti" in Einsiedel, "Hermann Matern" in Wetteratal, and "Kim Il Sung" in Prerow greatly expanded their capacities.

In the camps of recreation and work and in the FDJ student brigades, approximately 250,000 young people--guided by the motto "My Work for My Republic"--participated in the accomplishment of economic tasks.

The richness and the variety of the intellectual-cultural life showed continuing growth. Through new accomplishments, the artists and culturally creative individuals made a significant contribution to the enrichment of the intellectual-cultural life. High points of this development were numerous cultural events staged on the occasion of the 10th SED Congress and the 11th FDJ Parliament. The solemn inauguration of the Neue Gewandhaus in Leipzig as a significant place of art by the general secretary of the SED Central Committee, Comrade Erich Honecker, was a cultural event of international significance. The opening of the House of Culture in Gera expanded the cultural and artistic opportunities available at an important center of the working class.

The further raising of the cultural level of the working class and its accomplishments regarding the development of the socialist culture and art was reflected in the over 3,600 enterprise festivals attended by approximately 10 million people.

Thanks to the further increase in the number of youth clubs (by 579; 19,763 seats), the requisite conditions were created for meaningful leisure time activities on the part of the young people.

Great acclaim was accorded to events such as the Leipzig Bezirk Days of Popular Art in the Palace of the Republic, the 25th Berlin Theater and Music Festival, the 24th Documentary Film Festival in Leipzig, the 8th Berlin Music Biennial, the Dresden Music Festival, the 11th Political Song Festival in Berlin, the 13th Central Workshop of the Potsdam FDJ Glee Club, the FDJ's 11th Central Poetry Seminar in Schwerin, and the 2nd National Children's Film Festival "Golden Sparrow" in Gera. Numerous popular artists made valuable contributions in regard to organization of the intellectual-cultural life in the cities and communities.

The cultural cooperation with the socialist fraternal countries was intensified and consolidated. Of special importance were the 12th International Film Festival in Moscow, the 10th Soviet Film Festival in the GDR, the Dresden Hit-Song Festival of the socialist countries, and the 9th Socialist Film Days in the GDR.

Important theater groups and orchestras of the GDR gave guest performances in many countries. The Berlin State Orchestra and the ballet of the Berlin State Opera received great applause in Tokyo and Hiroshima. The Dresden State Orchestra performed in Paris and in nine big cities of Great Britain. The Berlin Symphony was applauded in Mexico, and the GDR's Cultural Week was successfully staged in Japan and Mexico. The GDR exhibition "Masterworks of German Art from Duerer and Cranach to the Present," which was shown in Tokyo and other Japanese big cities, met with great acclaim. The Paris Museum for Modern Art staged the exhibition "Painting and Graphic Arts in the GDR." A number of international, private cultural organizations—e.g. the International Federation of Library Associations and Institutions (IFLA)—held conferences in the GDR.

The cultivation of the humanist cultural heritage occupied a prominent place. Evidence of this were events such as the Weimar Shakespeare Days, the 30th Handel Festival in Halle, the 4th International Bach Festival in Leipzig, and the Berlin Brecht Days. On the occasion of the 200th anniversary of the death of Gotthold Ephraim Lessing, the 90th anniversary of the birth of Johannes R. Becher and the 150th anniversary of the death of Georg Wilhelm Friedrich Hegel, tribute was paid to these personalities. The tribute paid to Karl Friedrich Schinkel on the occasion of the 200th anniversary of his birth was an outstanding event in the GDR's cultural policy which is oriented toward preservation and cultivation of the progressive heritage.

An important factor in regard to satisfaction of the growing cultural needs were the 6,200 new books (total number of copies: 150 million), the 16 million records and the 2.5 million cassette tapes.

The results produced in 1981 show that our economy is successfully developing along the course charted. In the first year of the 1981/1985 five-year plan period, outstanding results were produced in regard to further consolidation of our national

economy's economic growth. Thus excellent conditions have been established for consistently implementing in 1982 the principal task for the benefit of the working class and of the entire nation.

To implement the economic strategy adopted at the 10th SED Congress, it is necessary to tap new performance and efficiency reserves for a forceful advance in regard to the further organization of the developed socialist society in the GDR. To accomplish this, it will be necessary to attain higher and steadier production and productivity growth rates and markedly to improve the input-output ratio in all sectors. The results of the third session of the SED Central Committee demonstrate that the further economic growth will be increasingly determined by the socialist intensification and rationalization. In this regard, it is imperative that we combine more closely the advantages of socialism with the accomplishments of the scientific-technical revolution.

In regard to the leadership of the state and economic organs, it is necessary to promote the working people's initiative, creativity and willingness to perform so as to meet the ambitious targets of the 1982 economic plan and to fulfill the commitments made by the working people in the socialist competition. To accomplish this, all combines, enterprises, institutions and cooperatives must make the results produced by the best workers the general standard and they must consistently apply the principles of socialist management and socialist thrift so as to make a great contribution to the growth of the national income and to the reduction of production input and costs. Through their actions and their work results, the working people are making a decisive contribution to the overall consolidation of our socialist fatherland, to the augmentation of its international reputation and to the struggle for the preservation of peace.

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CSO: 2300/137

ACHIEVEMENTS, PLANS OF INDUSTRIAL CONSTRUCTION MINISTRY

Bucharest ROMANIA LIBERA in Romanian 19 Jan 82 pp 1,3

[Interview with Nicolae Manescu, first deputy minister for industrial constructions, by M. Radu]

[Text] The year has just begun, and together with Eng Nicolae Manescu, first deputy minister for industrial constructions, we wanted to review the activity of the branch for this year. To begin with, we asked him to indicate some of the most important achievements obtained during last year.

[Answer] The year 1981, the first year of the 1981-1985 five-year plan, has been for the workers in our branch an important stage in fulfilling Romania's vast program for socioeconomic development, as approved by the 12th Party Congress for the seventh five-year plan. The major characteristic of the plan for 1981 was that about 80 percent of the total plan volume consisted of projects at an advanced stage of execution or with an extensive amount of finishing. As indicated by the higher party leadership and by the secretary general, Nicolae Ceausescu, our most important task in 1981 was to complete and place in operation the production capabilities that had already been started. To this end, the collectives of our trusts and enterprises assigned priority to projects that were close to completion, by providing the necessary qualified personnel, technicians, and engineers, as well as construction machinery, equipment, and materials. This concentration of forces and means on a smaller number of objectives during 1981, allowed us to complete and place in operation 404 large production capabilities (supervised at central level) for the current plan; nine of these were ahead of schedule. At the end of the year, another 125 large projects had completely finished their construction and installation work, and 40 of these were already undergoing technical tests. I would also point out that during 1981, we installed technical equipment with a value of more than 13 billion lei, at an average monthly installation rate of 1.1 billion lei, thereby reducing the equipment stock by 79 percent over the course of the year.

[Question] Could you name some of larger capabilities placed in operation during last year?

[Answer] The new capabilities for advanced crude oil processing at Borzesti; rubber and plastics at Botosani, Pitesti, Nasaud, and Tg. Jiu; tires at Zalau, Danubiana in Bucharest, and Victoria in Floresti; polyester fibers at Vaslui, Roman, and Cimpulung; caustic soda and chlorine-soda products at Giurgiu; the steel plant and forge at CUC Iasi; rolling mills at Zalau and Beclean; plants for prefabricated products at Arad and Doaga; pig-raising complexes in Ialomita and Timis counties; the Ianca sugar plant; wool and cotton mills at Patirlagele, Isaccea, Bistrita, Abrud, Simleul Silvaniei, Negresti, Darabani, and Murgeni; knitting plants at Nehoiu, Fetesti, Caracal, and Radauti; silk, linen, and wool plants at Bistrita, Jibou, Zalau, Tibanesti, Buhusi, Suceava, Falticeni, and Tg. Mures; and many others in all branches and sectors of the economy.

As a result of the decisive measures that were taken, we succeeded in standardizing most of the technologies used in construction and installation, and thereby in placing many modern technologies in general use. I might also mention the introduction and utilization of efficient work techniques, many of them new, which we will expand or introduce in the coming period. Some of these are: hydraulic-mechanical processes in earth moving; soil consolidation with earth, sand, ballast, and with concrete containing ashes from thermal power plants; construction of reservoirs and tanks in general, by prefabrication or by precompression through wrapping; more extensive automatic and semi-automatic welding in the installation of technical equipment and machinery; prefabrication of technical installations; and so on. During the last period of time, we successfully applied a technique for installing technical equipment and metal constructions in large subassemblies of tens and hundreds of tons, which significantly reduce manpower and time requirements; and we broadly developed the prefabrication of subassemblies for technical, electric, and sanitary installations.

We have similarly heightened the industrialization of construction projects, with an increasingly larger volume of processes and activities being transferred from work sites to specialized shops organized within secondary industrial production bases; we have expanded the degree of mechanization of construction and installation operations, particularly as a result of adopting and placing in fabrication various construction machines and equipment; and we have completed lines of machines specializing in earth moving operations, the management of construction systems, the production, transportation, and utilization of monolithic concrete, as well as the straightening, cutting, and shaping of reinforced concrete. And we have devoted special attention to the manufacture of tools and devices for low scale mechanization, so as to reduce to a minimum manual operations at work sites.

[Question] What are the principal orientations and tasks of the branch for this year?

[Answer] Generally speaking, the plan tasks for 1982 are even more dynamic than those of 1981. Delving solely on construction and installation activities--we will have another occasion to discuss the ministry's industrial production activity--I will mention that we have placed in operation about 1240 facilities for industrial production, as well as agricultural and animal raising installations, some 460 of these being sufficiently large to be supervised at central level. Added to these are another 100 large capabilities left over from 1981, which must be placed in operation during the first part of this year. We also have to build and make available a large number of apartments, about 4450 of them in Hunedoara, Gorj, and Calarasi counties, in accordance with the special task assigned to our ministry by the higher party leadership.

I should also point out that during this year we received important tasks for building projects in those sectors which assure the energy and raw materials basis, as well as for completing special programs in the food industry branch, tasks to which we shall assign priority in accordance with the indications of the higher party leadership.

And finally, I would like to state that during 1982, continuing projects will play a significant role in our ministry's plan, which requires that our efforts be concentrated on the completion and placement in operation of the production capabilities that have already been started.

Although the tasks that have been assigned to us for 1982 are not at all easy, we are determined to do everything in our power to fulfill them. We will concentrate consecutively on objectives with assured resource, avoiding during this year as well, the dissemination of our labor force, and of material and production means; we will persevere in generalizing the application of efficient, high yield technologies at all work sites; we will continue to act with even more decisiveness to adapt personnel structures to project structures, giving priority to qualified workers, as well as to technicians and engineers, who will be involved in fulfilling the plan at a higher level, through the efficient utilization of contractual agreements and the bonus system;; and finally, we will have to take steps to endow our units with specialized machines and equipment, and to diversify tools and devices. We will achieve this both through our own means--we have a large number of lines for adoption--and through cooperation with enterprises under the jurisdiction of the two machine building ministries.

[Question] What can you tell us about your plans for higher efficiency and general quality in the activities of the branch?

[Answer] Very briefly, I would say that in our entire activity we will consider the indications and orientations of Nicolae Ceausescu regarding the need to achieve a new and higher quality in our work, and that we will act firmly and decisively toward better organization and execution of projects at work sites, for a stronger increase in labor productivity, and for continuing to reduce costs per thousand lei of production in constructions and installations, including the costs associated with materials. In fact, the task of increasing the 1982 labor productivity by 6 percent over that of 1981, and of achieving a low cost level per thousand lei of production in the ministry's constructions and installations, is in accordance with the indications of the secretary general of the party regarding a new quality and a continued increase in the efficiency of our socioeconomic activities.

Along these lines, together with designers, we will take decisive steps to meet standards and regulations for materials and energy consumptions, and to apply a strict climate of economy for fuels, lubricants, and electric power. We are particularly concerned with the contribution of collaborations between builders and designers, and for reducing the volume of work in earth moving and soil improvements, through the adoption of appropriate technologic solutions.

We are also proposing to assure a more efficient utilization of means of mechanization, devoting greater attention to their distribution among work sites, and especially to the appropriate preparation of site locations. To this end, global contracts—which will be extended to construction sites—will also include means of mechanization in workers' teams, thereby stimulating the interest of mechanical operators. In order to increase economic efficiency in the utilization of means of mechanization, we also propose, beginning with this year, to introduce income and expense budgets for the major groups of construction machines and equipment, thereby making it possible to improve the management and utilization of the available inventory of construction machines and equipment.

There remains no doubt however, that our most important task is the completion and placement in operation of all the production capabilities stipulated in the plan, including those carried over from last year. Some of the extremely important objectives expected to be placed in operation in 1982, and which are priorities of the national economy, are the Chemical Combine and Tire Factory Drobeta-Tr. Severin, the caustic soda installations at the Rm. Vilcea and Borzesti chemical combines, the organic synthesis and dye installations at the Giurgiu Chemical Combine, the Alesd and Medgidia cement plants, as well as a large number of agricultural and food industry objectives, such as the pig slaughterhouses of Slobozia and Tomesti, the starch and glucose factories of Covasna and Calafat, cattle fattening installations, poultry complexes, wheat and corn mills, hothouses, and so on.

In closing our conversation, our guest stated:

The results obtained by workers at construction sites even during the first days of the year, and the strong human and technical potential of our units, are a sound guarantee that the important objectives which we have discussed, as well as all the others that are expected to be placed in operation during this year, will be finished on schedule and under conditions of high economic efficiency.

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CSO: 2700/182

MEASURES TO REDUCE CONSUMPTION OF ELECTRICITY DETAILED

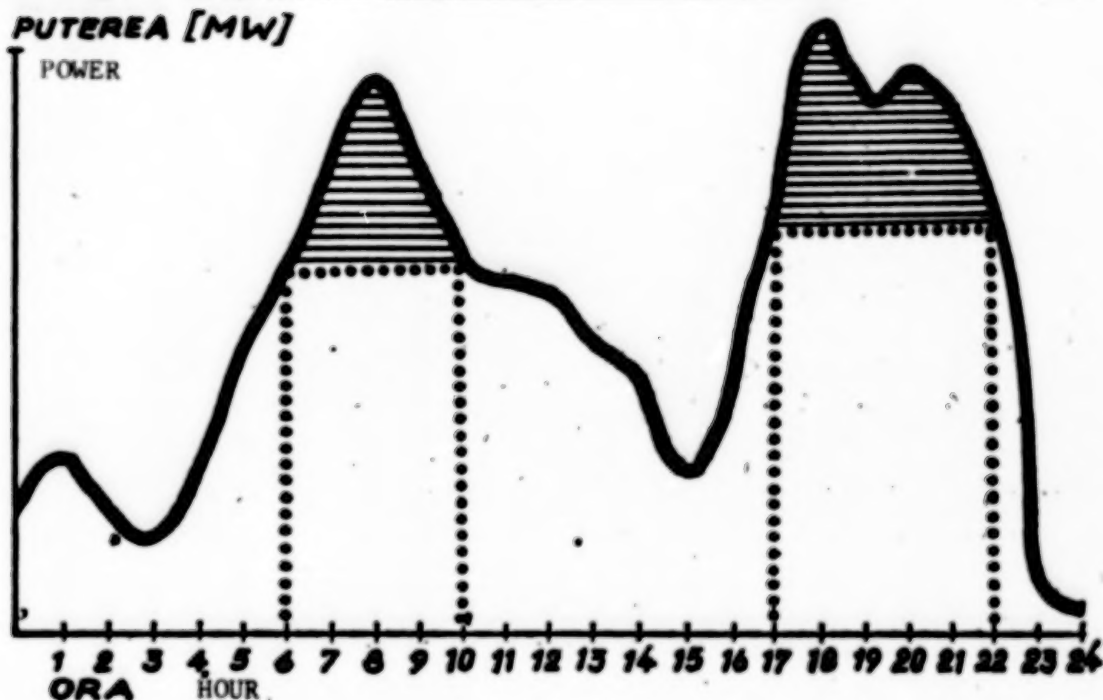
Bucharest SCINTEIA in Romanian 28 Jan 82 pp 1,2

[Interview with Emil Barbu, director general of the Industrial Central for Electric Power Networks, by Ion Teodor]

[Text] It has been said, and for good reason, that economy is the best source of energy. And now, in the middle of winter, this need is more felt than ever. That is so because the power industry is greatly influenced by atmospheric conditions. Of course, when we want to start some equipment or to turn a light on in our own apartment, everything appears simple and natural: we flip a switch or push a button, and we receive the electric power that we need. But is the production of electricity that simple? Calculations have shown that to produce a single kWh we must consume 1.5 kg of lignite or 280 grams of fuel oil. And this does not take into account the increasingly large volume of investments necessary to bring new energy resources into the economy. That is why before flipping the switch or pushing the button, we must think about the efforts made to produce the electric power, and about the increasingly difficult obstacles that must be overcome during this period to produce and supply electricity.

We have seen that the supply of electricity has lately been temporarily interrupted in some economic units, neighborhoods, or localities. Why? These are some of the questions that we asked Emil Barbu, director general of the Industrial Central for Electric Power Networks.

[Answer] It is clear that we cannot consume more power than we produce. And indeed, during this period, the production of electric power is more difficult. The low temperatures of winter make it difficult not only to extract coal--especially in strip mining--but also to operate equipment in thermal generating plants. The pressure in gas lines sometimes drops, and some plants cannot operate at full capacity. And finally, we all remember last summer's drought, when the rainfall was lower than normal, with the result that the storage reservoirs of hydroelectric plants has less water in them. That is why these plants cannot operate normally to supply the electricity needed during peak consumption periods, times at which the problem is more difficult to solve.



Daily consumption of electric power.

As we can see from the graph, the largest amounts of electricity are consumed between 6 and 10 o'clock in the morning, and especially between 5 and 10 o'clock in the evening. In order to meet the power demand during these time periods, we must supplement the hydroelectric plant production with additional power generation capabilities which consume hydrocarbons in the form of fuel oil and methane.

So much for the producer of electric power. From the consumer's standpoint, however, the general consumption of industrial and non-industrial power during the winter increases by about 5 percent over that of summer, which is the equivalent of millions of additional kWh. At the same time, this winter's low temperatures have significantly increased the consumption of fuel oil, gas, and electricity.

[Question] What must be done under these conditions? What measures must be taken? How can we act to reduce power consumption during peak load periods?

[Answer] As we can see from the graph, two peaks of electric power consumption can be observed, especially in the evening between 5 and 10 o'clock, as well as in the morning, between 6 and 10 o'clock. The first problem is to flatten these consumption peaks, which means to reduce electricity consumption during these periods. However, difficulties in supplying electricity are encountered throughout the day. That is why less power must also be used during the remainder of the day. As a result, a number of measures have been taken recently to limit the consumption of electricity in general.

[Question] In concrete terms, what are these measures, and how can each of us, at home and at work, act to reduce the consumption of electric power?

[Answer] I will first mention the measures that must be taken during peak consumption periods. Units which consume electricity, together with power producers, must establish programs for the operation of departments which are large consumers of power, so that their activity will not affect power consumption during peak periods. Working hours in institutions and administrative centers usually are 8 to 5 o'clock. Design and research institutes will operate until 5 o'clock. Television broadcasts are interrupted between 6 and 8 o'clock. Trolley cars and trolley buses will reduce their frequency between 6 and 9 o'clock in the evening. Households are forbidden to use electric motors of more than 1 kW, hot plates, heaters, and boilers, during peak consumption periods.

In the second place, in order to reduce electric power consumption throughout the day, the following steps are being considered: economic ministries will enforce in their units, daily programs for reducing power consumption between 7 in the morning and 7 in the evening. Overusage of electric power and gas is not allowed in any form, in any economic unit. Commercial units will adapt their operations so as to make maximum use of daylight. And programs to reduce the consumption of electricity, by hours and days, have been formulated for households, rural areas, cities, and municipalities.

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